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NATION'S BUSINESS

Sept.



1926

The Silent Revolution in Railroading

By F. S. TISDALE

Government Grows and Grows!

By WILLIAM R. WOOD

Member of Congress from Indiana

The Farmer's Business

Appraised by Two of His Neighbors

HENRY J. ALLEN

Former Gov. of Kansas

SAMUEL R. McKELVIE

Former Gov. of Nebraska

The Lumberman Practices Conservation

By HENRY SCHOTT

Dirty Work in the Test-Tubes, by Arthur R. Maas

The Neglected Science of Buying, by H. E. Irish

Map of Nation's Business, page 48

Complete Table of Contents, page 5

Published at Washington by the Chamber of Commerce of the United States

MORE THAN 224,000 CIRCULATION

"We signed *one* contract—
then forgot about our
new plant Austin
made us move fast"



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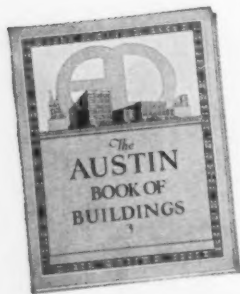
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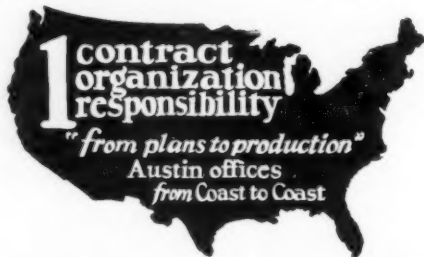
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A 100-page handbook of valuable Building Information. Sent free to Industrial Executives

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Complete Building Service



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City _____

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"THE VILLAINY you teach me I'll practice, aye, I'll better the instruction." It was Shylock who said it, wasn't it?

At any rate M. T., the regular conductor of this column of instruction, inspiration and ingenuity, following the precedent of governmental "junktets," Commissions, Bureaus, Boards, or what have you, is making an investigation.

He's investigating the fishing in Montana, and putting to test those phases of the "New Competition" in respect to barbless hooks in certain highly recommended lakes and streams out in the Owen Wister country.

In his absence the staff will practice his "villainy"—villanously, it may be.

Whether they've "bettered the instruction" will be for those who read to say.

WHEN an editor takes to casting a line, the proof of his string should not be marked "hold for release." For though all is fish that goes on an editor's copy hook, space requirements would prevent him from trying to fit a whale of a story to the displacement of items about the small fry. Of course, there is an inherent flexibility in fish tales, and while it is related that South African natives fish in a prone position, it is common knowledge that most anglers in this country lie, standing up with arms outstretched.

Plainly, this factual pliability waggles in the editorial invitation to contribute to this column—that barbless hook thrown out to the staff has a catch in it. Well, the "conductor's" creel will be hard to fill from this end of the line, but if there's anything in wishing him the best of fisherman's luck, here goes that hearty wish—a wish that would spare every good fisherman the rod of fate's mortuary by-play, "Here lies. . . ." And so I shall sign myself as nearly to "M.T." as maybe, with the hope that his vacation will not leave the column empty, but attractively ready for the fall opening of "M.T."

—R. C. W.

RESULTS from the Fewer-Laws Club are expected; but until that time, American insurance companies might take a leaf from Lloyds' London "bookings."

The English Law regards insurance as a private contract and the rule of "caveat emptor" governs. So, the insurance company willing, one can get coverage against almost any risk. Two examples that offer possibilities for American companies have recently come to light.

Prospective parents may insure against the possibility of twins. However much the initial sentimental joy of being the proud parents of two immortal souls, the financial responsibility of two immortalities may be a serious matter. Perhaps if this form of insurance were provided, eugenics by law would lose its attractiveness.

A man of unusual appearance, a living passport photograph, came into Lloyds and asked for insurance against being mistaken for a criminal. Our Fewer-Laws Club

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



Do you cover these five?

Your best factory location may be Wilmington—with each of the following advantages at its best:

- 1. Fine Railroad Facilities.** Pennsylvania, Reading, B. & O. tracks to your factory. Fast switching yards. Over-night deliveries by rail and truck to 20% of America's population.
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Besides, Wilmington is benefited by favorable Corporation Laws, absence of social legislation, and comfortable climate.

Now You Tell Your Side—write us what your needs are for lower-cost manufacture. Our consultant will analyze Wilmington from *your* standpoint, free of charge. Maybe we've got just the right combination of conditions for your business.

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WILMINGTON

DELAWARE

"The Port of Personal Service"

When writing to WILMINGTON CHAMBER OF COMMERCE please mention Nation's Business

should see that the insurance companies get out Probability Tables and policies against being a criminal in this land of the law and home of restraint. Or perhaps that would be betting on a sure thing for the applicant.

—R. L. B.

I AM REMINDED—when I see more than 2,000 pages in the *Congressional Record* which during the past two years have been devoted to the farmer and farm relief—of old Uncle Primus, a most famous revivalist. At one August meeting he arose and addressed his congregation, "Bretheren and Sisteren, today I'm goin' ter 'splain the unexplainable, define the undefinable and unscrew the unscrutable."

And it only took him four hours to do it—which is equivalent to about ten pages in the *Congressional Record*.

—F. C. P.

DIFFERENCE in nationality is always interesting.

A friend of mine who attended the International Chamber of Commerce in Rome and Brussels studied the types there and found most representatives running true to form.

To illustrate he told this story:

"You probably have heard the story of the six men of different nationalities who agreed to devote a year to the study of the elephant.

"They met, duly, and the Englishman submitted a substantial volume of 400 or more pages on 'The Elephant and How to Hunt Him.'

"The Frenchman in turn contributed a mauve libretto entitled 'l'Elefant—Sa Vie Amoureuse' or 'The Love Affairs of the Elephant.'

"The Irishman, of course, had written on 'What the Elephant Thinks of the Irish Question.'

"The German had six voluminous tomes entitled 'An Introduction to the Study of the Elephant.'

"The Russian had retired to his attic and evolved 'The Elephant—Does He Exist?'

"But the American won the applause of the crowd with his small brochure in clear 24-point Caslon entitled 'Bigger and Better Elephants.'

—M. F.

I DISCOVERED a wonderful apartment today," Mrs. B. said to me one evening last week. "How would you like to move?"

"I wouldn't mind," I answered. "Is the rent more reasonable?"

"No, the rent's about the same, but the location is better, the place is a lot more pleasant and the rooms are larger and it's a new building."

We're moved now, and the Synthetic House of Tomorrow which Professor Wendt told of in the August number of *NATION'S BUSINESS* doesn't seem so far in the future as it did last month when I read the article. The window frames and window sills in our new apartment are steel, the floors are composition and the base boards are concrete.

—A. B.

ONCE upon a time—and by the way this is not a fairy story—a boy still in his 'teens was making a trip via railroad. He had to change trains with little time to make the connection. The first train was late and he missed the second. While waiting for a later train, he grew tired and wandered about the station. In due time he was ar-

rested for "loafing." The fact that he was released the same day did not assuage his ire and when he became older and heard of our Fewer-Laws Club, he applied for membership.

So grows our Fewer-Laws Club.

—W. H.

MUCH modern advertising depends for its returns on the mental quirk that psychologists call "association of ideas." But experts also recognize that this same associative process sometimes leads prospects astray.

Here's a case in which the idea of quality in a well-known magazine probably was carried over to an almost equally well-known grocery chain:

A young wife who recently moved to a large eastern city from Kansas, where this particular grocery chain did not operate, confided to her husband that she had found a real bargain in fresh peaches at "one of these little Atlantic Monthly stores."

—O. A.

SOMETHING seems to bob up every day to remind us of The New Competition. It now seems to greet us at every turn. We picked up a copy of the official publication of the Boston Chamber of Commerce a few days ago and there, on the front page, we are told that a yellow ice-wagon in Arlington, while making its rounds, now carries a sign "Electric Refrigerators for Sale."

This is swallowing competition with a gulp.

—J. F. K.

AND JUST before he left to pursue a bit of investigation of his own of the sunsets, monasteries, and hollywoods of our great southwest, our artist was thus moved:



THE PRACTICE of instalment buying continues to grow. It has been the means of disposing of the increase in production, it is true, but this story, told in *The Southern Farmer*, makes us wonder if in the near future the instalments on our christening robe will overlap those on our wedding dress, or those on our wedding dress overlap those on our shroud.

"My dear," said the old man tenderly, "today is our diamond wedding, and I have a little surprise for you!"

"Yes?" said his silver-haired wife.

He took her hand in his.

"You see this engagement ring I gave you seventy-six years ago?"

"Yes?" said the expectant old lady.

"Well, I paid the final instalment on it today, and I am proud to announce that it is now altogether yours!"

—R. L.

ONE PRODUCT in America that has not been hit by the new competition is the one which made Mr. Wrigley famous. People have invented mints of all kinds, but

Holabird & Roche, the architects of the Stevens Hotel, the world's largest hotel, under construction in Chicago, have specified Douglas Fir for approximately 5,000 of its window sash and frames.



Fifteen years ago Holabird & Roche, architects, specified Douglas Fir sash and frames for the North American Building, Chicago. These sash and frames are in perfect condition today!

Durable Douglas Fir... sash & frames in the world's largest hotel!

WHEN the bellboy opens your windows in the Stevens Hotel, Chicago, notice how easily they operate and how neat and substantial they look. That's because the sash and frames—5,000 of them in this the world's largest hotel—are made of durable Douglas Fir.

The architects, Holabird & Roche, specified Douglas Fir for this purpose, knowing from past experience that the selected, fine grained, heartwood stock of which these sash and frames are made would stand weathering and operate smoothly for years to come.

Fifteen years ago, these same architects used Douglas Fir sash and frames in the North American Building, Chicago. Today these sash and frames are in good condition. They have withstood the attacks of Chicago's winters and summers, smoke and gases. They have held their paint. They haven't rusted, warped or checked and the hardware is attached just as firmly as the day the carpenters put it on.

In many other well-known buildings Douglas Fir sash and frames have been rendering good service for years under widely different climatic conditions.

Countless homes also have Douglas Fir window sash and frames as well as studs, joists, rafters, siding, gutters, interior and exterior trim, floors and doors.

Douglas Fir is an all-purpose construction wood whose strength and durability are matched by its light weight and beauty.

Your lumber dealer can supply you quickly with Douglas Fir in any size or shape you need. Your architect will be glad to specify Douglas Fir and your contractor will be glad to use this easily-worked West Coast wood.

Mail this coupon or send a postcard for the new, free, illustrated treatise, "Durable Douglas Fir—America's Permanent Lumber Supply." This was written by a forester and gives interesting, authentic information about Douglas Fir. You should have this booklet before you build. Write today.

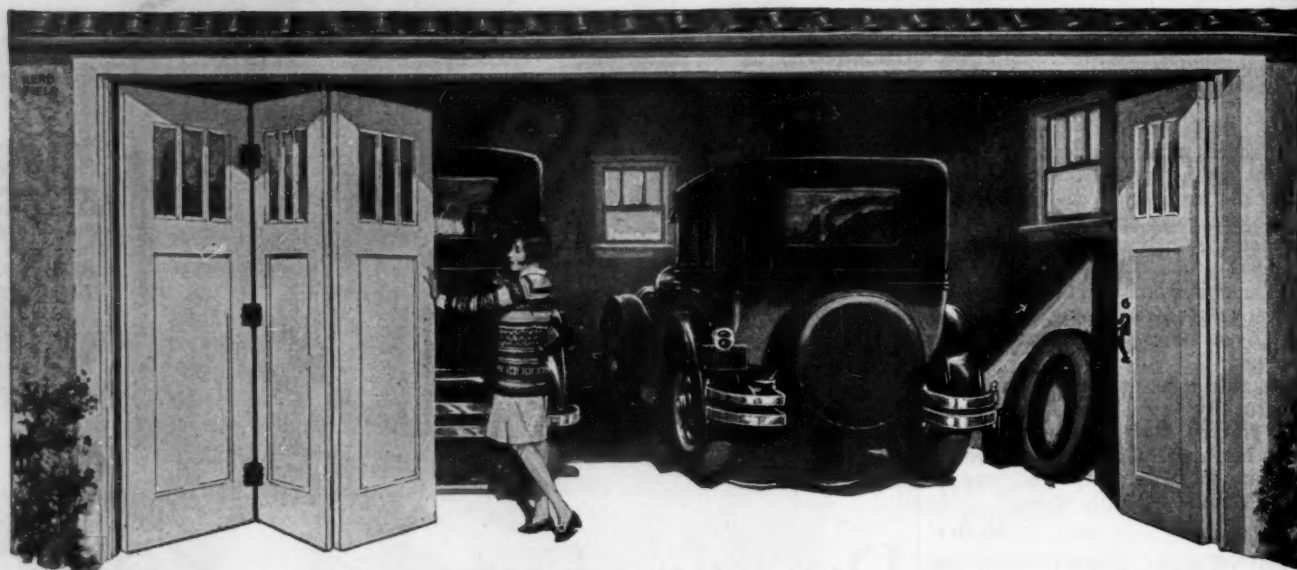
Durable Douglas Fir

AMERICA'S PERMANENT
LUMBER SUPPLY

WEST COAST LUMBER BUREAU, 3562-D STUART BUILDING, SEATTLE, U. S. A.		G-98
Please send me a copy of your free booklet, "Durable Douglas Fir—America's Permanent Lumber Supply."		
Name _____		
Street _____		
Place _____		

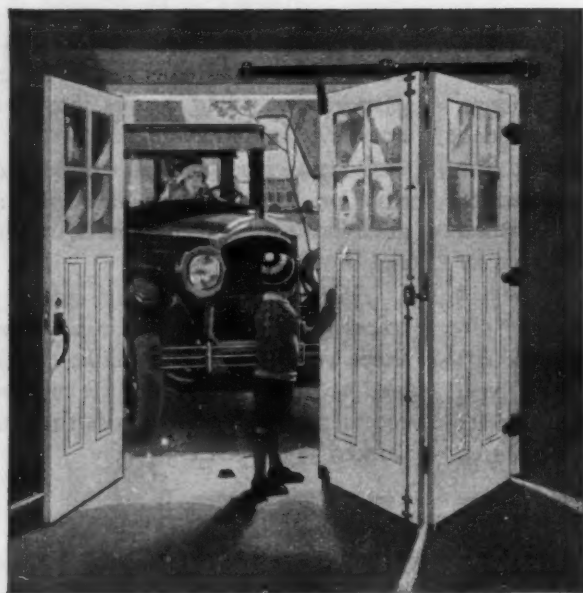
Important West Coast Woods—DOUGLAS FIR . WEST COAST HEMLOCK . WESTERN RED CEDAR . SITKA SPRUCE

When writing to WEST COAST LUMBER BUREAU please mention Nation's Business



Slide the doors

One of these methods will
take care of any condition



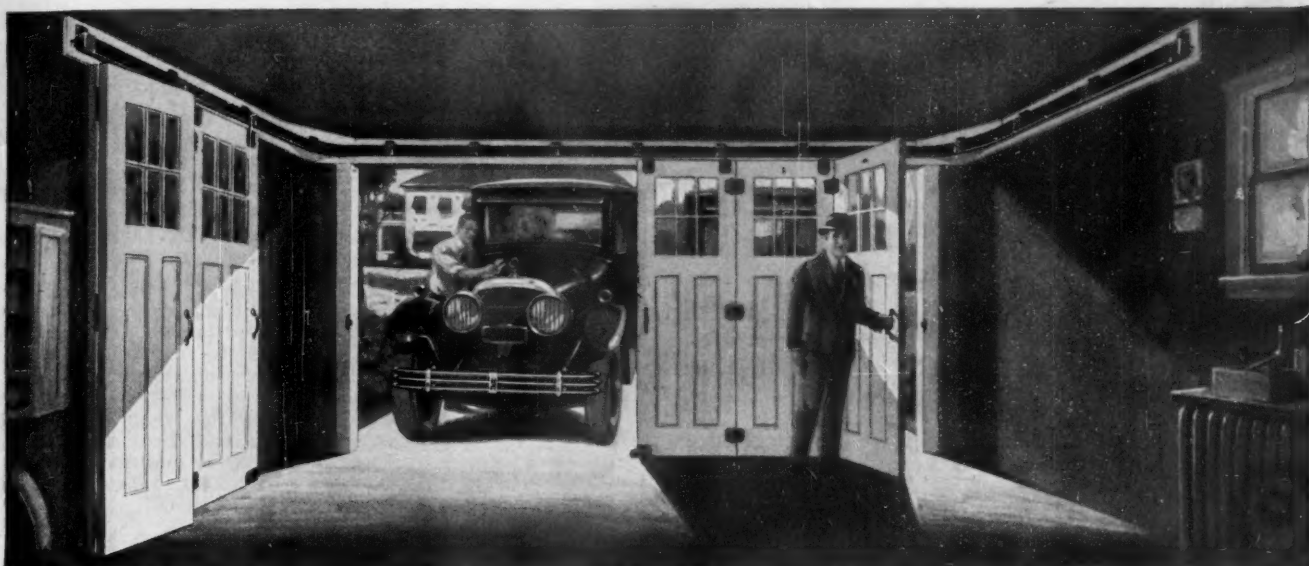
Slidetite hardware is made for 2 to 10 garage doors and for openings up to 30 feet wide. Regardless of width, there's no center post. *Slidetite* equipped doors cannot shrink or swell, stick, sag or work on rusty hardware, for it's all inside the garage.

(1142)

GARAGE door installations seem so simple that it is just as easy to make a mistake in choosing the method of operation as it is to select the right one.

You cannot make a mistake if you specify R-W hardware. R-W experts have perfected many methods that meet all garage door requirements. Four of them are illustrated here.

Slidetite equipped doors (upper left) are so easy to operate that a child can open and close them. All the hardware is *inside* the garage where it will work better and last longer—away from wind and snow and rain and sun.



inside

Slideaside (upper right) is frequently the method specified when a garage is not deep enough to fold the doors inside. The doors slide around the corner against the wall, regardless of the distance from door jamb to side wall.

Both *Slidetite* and *Slideaside* equipment provide for an entrance door—does away with the expense and inconvenience of a separate entrance. R-W garage door hardware eliminates center posts, leaving a clear and unobstructed full width opening. Doors are adjustable—always fit and snug.

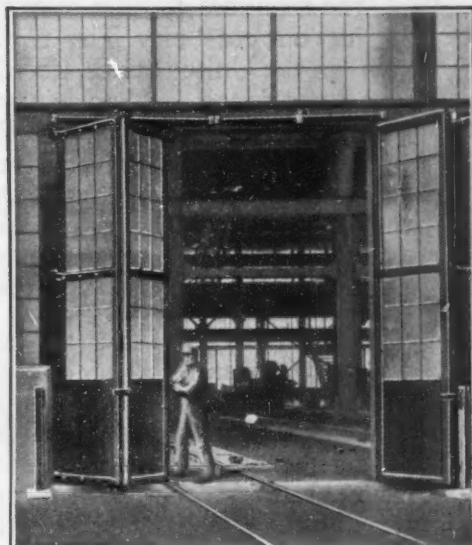
R-W door hardware, the largest and most complete line made, solves any and every doorway problem you'll ever meet.

Richards-Wilcox Mfg. Co.

A Hanger for any Door that Slides.

AURORA, ILLINOIS, U.S.A.

New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans
Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg



Industrial Slidetite

The *Slidetite* principle of operating doors is used in hardware designed for heavy industrial doors.

Industrial *Slidetite* will efficiently handle doors of extreme height and provides for clear and unobstructed openings in doorways up to 30 feet wide.

An R-W Doorway Engineer will gladly confer with you regarding the best method of handling your doorway problems.



This Fall
Come to the Pacific Coast
"Where nature smiles a thousand miles"

IT IS STILL SUMMER out on the western edge of America. Come now, . . . and play to your heart's content. See the whole coast, . . . it costs but little more than visiting just one coast city. This trip is the greatest "travel bargain" in the United States. (See Seattle and Tacoma on glorious Puget Sound, . . . Spokane with its rolling hills of golden grain and splendid forests. Visit Portland where it lies beside the broad Columbia River. Know San Francisco with its strange glamour and slant eyed Orientals as it sits guard over the Golden Gate. Play in the sunny orange groves of Los Angeles, . . . home of the motion picture industry and see the languorous blue bay and white beaches of San Diego.

Whichever way you tour the coast, . . . at the center you will find Oakland, the city of industry, the city that sits on the mainland side of San Francisco Bay, the city whose busy factories are loading ships for the Orient and trains for the western states. Here are manufactured daily necessities for the ten million people that comprise the Western market. Here is the fastest growing industrial community of the West, . . . a city that has every natural requirement for greatness. (See it. Understand how and why it has become the industrial capital of the West.

Your stay in Oakland will be a happy one, . . . your family will find abundant opportunities for sightseeing and play, . . . and you will have satisfied a need for accurate, first-hand information of value to your business. By all means give yourself this chance to see and know Oakland.

The fastest growing industrial district in the West lies within Alameda County, California. This district is being advertised co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

Travel or industrial information will be gladly sent on request. A technical report will be prepared for any industry that is interested in a Pacific Coast location.



Industrial Department, Oakland Chamber of Commerce
OAKLAND (AND ALAMEDA COUNTY) CALIFORNIA
 "Industrial Capital of the West"

1-9-26

When writing to the OAKLAND CHAMBER OF COMMERCE please mention Nation's Business

none has yet taken the place of the stenographers' favorite.

Figures from the Department of Commerce show that gum chewing has increased 17 per cent since 1923. During the year 1925 the gum production of the United States totaled \$47,124,000.

—A. M. C.

THE VALLEJO *Times-Herald*, ably edited California paper that is winning an enviable reputation among Pacific slope newspapers, "dares to be a Babbitt."

"The function of business," says the *Times-Herald*, "is to provide the material necessities of men. It is doing this, and more. Business, today, is rising to new heights. It has a conscience and a soul. Business realizes that it must enter into various community problems. The hospitals, the research laboratories, the other charities and scientific achievements are promoted chiefly by business men."

"This is the answer to the oft-repeated charge that business is sordid."

—E. E. M.

THERE have been many definitions of Big Business—none better than this from *Printer's Ink*, able exponent of the wizardry of ink and paper:

Big Business is supposed to be the personification of commercial selfishness. Any industrial enterprise that has grown so large that it is regarded more as a commercial monster than as a human institution, is dubbed Big Business.

But there is no reason why the phrase should be used in a contemptuous sense. The expression Big Business was coined to describe a type of business organization for which no fitting term exists. In a way it is intended to replace the word "trust," which is a misnomer as usually applied.

Mere bigness, however, is not all that is necessary to constitute Big Business.

It is an idea more than it is size that constitutes Big Business. This idea can be best described by naming a few typical examples of Big Business. Here are some: The United Fruit Company, Ford Motor Company, The General Motors Company, International Harvester Company, The United States Rubber Company, National Lead Company, United Drug Company, the Diamond Match Company.

The idea that distinguishes these organizations from ordinary business is that they extend their operations back into the raw material end of the enterprise, and then follow the product through every opportunity by-path that presents itself.

The Diamond Match Company, for example, not only owns standing timber, but it engages in numerous sidelines as a means of disposing of its by-products. It operates a chain of lumber yards. It makes clothes pins and other wooden articles. At one time, in developing a market for beehives, it found itself in the bee business. Again, in replanting some of its cut-over timber lands, it got into orcharding.

That is an example of how Big Business has to operate. If it does not make use of its by-products, its operations would be so wasteful that it would not be long before it would cease to function profitably.

Big Business is nothing more than a little business that has made the most of all its opportunities.

—W. B. C.

THE Tisdale article on fake charities in the August issue was sent to a number of community chest organizations and elicited many letters of interest and approval.

The other day the office boy, bringing in a new budget of letters, said:

"Boss, these folks are sure sticking out their community chests a-writin' a lotta letters, ain't they?"

—J. B. W.



"New business? There's more than you can handle right there—buried!"

A startling statement. But true in thousands of businesses. Could it be true in yours?

In this case it was perfectly substantiated by a tremendous jump in sales during the succeeding quarter.

You wonder how, of course. Particularly when we add that the *increased business was gained without increased overhead*. But it's really extremely simple, like the explanation of most well-founded business successes.

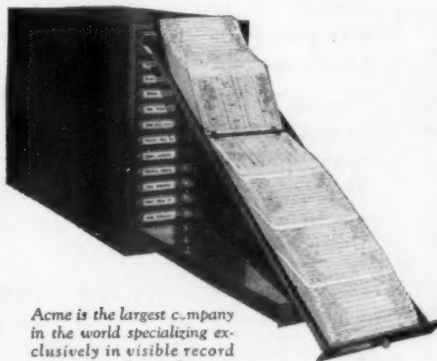
The sole change necessary in the conduct of this sales-manager's business was to bring the buried information in his files out into the open. To put customer and prospect data on Acme Visible records so that a complete and current

picture or chart of progress would be forced on his attention day in and day out.

Partial users could be worked on, made full users of his product. New users could be kept sold. The dropping off of an old user would signal him warningly as soon as it occurred.

Until you use Acme yourself, you cannot begin to realize how much prospective business has been hidden in your customer files. Your partial-user list, alone, would take most of your annual output if properly worked.

We'd like to send you a copy of the Acme "Book of Record Facts"—an authoritative volume of vital business information. The coupon will bring you a copy. Send for it today.



Acme is the largest company in the world specializing exclusively in visible record equipment—doing that one thing and doing it well! That's why Acme offers you twelve distinct points of superiority. Acme offices in most principal cities. Consult phone directory.

ACME

VISIBLE RECORDS

When writing to ACME CARD SYSTEM COMPANY please mention Nation's Business

ACME CARD SYSTEM COMPANY
116 South Michigan Avenue, Chicago

N. B. 9-26

Gentlemen:

☐ You may send me a copy of your "Book of Record Facts"

☐ You may send your nearest representative to see me

☐ Please write me concerning your system for handling _____ records.

NAME _____

FIRM NAME _____

CITY _____

STATE _____



These two men, working together can increase your net profits . . .

Duco has added greater value, or reduced costs, in the manufacture of the following products:

Advertising Show Cards and Displays	Radio Parts and Cabinets
Aircraft	Recording Instruments
Automobiles and Accessories	Refrigerators
Bird Cages	Rolling Stock
Cash Registers	Scales
Clocks	Street Cars
Dishwashers	Tank Cars
Electrical Fixtures	Telephones
Electrical Machinery	Thermos Bottles
Elevators	Toilet Seats
Furniture, Wood and Metal	Tools
Gasoline Pumps	Toys and Novelties
Linoleum	Trunks
Metal Signs	Vacuum Cleaners
Office Appliances	Vending Machines
Pencils	Washing Machines
Pianos	Wire Insulation
Plumbing Fixtures	Wooden Handles

WHO are these two men? . . . A du Pont Industrial Finishing engineer—and your own engineer . . . These two men, by working together on your finishing problems, can give your product greater value, may reduce finishing costs, and will in many cases give your product greater salability.

The du Pont engineer is fitted by training and long experience to bring to your finishing problems the accumulated knowledge which has come to the du Pont Company through years of research and experimentation. This experience covers a wide range of finishing practice, from the most simple paint job to the most elaborate Duco system. It covers every step in the process, from preparation of the surface to the final coat.

The du Pont engineer is accustomed to work in close harmony with plant engineers, and to work out, with them, constructive analyses and plans. His services are free to business executives.

An inquiry about the du Pont Industrial Finishing Service and what it can accomplish in your plant will bring you a copy of an interesting folder, "Imagination, the Business Builder," and other data covering the field of industrial finishing.

E. I. du Pont de Nemours & Co., Inc., Chemical Products Division, Parlin, N. J., Chicago, Ill., San Francisco, Cal., and Flint Paint and Varnish Limited, Toronto, Canada.

There is only ONE Duco — DU PONT Duco



When writing to E. I. DU PONT DE NEMOURS & Co., Inc., please mention Nation's Business



The Silent Revolution in Railroading

I—The American Railway Association and the shipper solve a vexing problem, and bring in a new era in transportation by co-operation and self-regulation

By F. S. TISDALE



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BY
LEWING
GALLOWAY

Until a few years ago America's major transportation problem was the freight car. There were regular famines during which the roads grabbed each other's cars and despairing shippers prayed for empties. These evils are vanishing through intelligent team work between carriers, shippers and receivers. They are now tackling the difficult question of marketing western perishables in the east. Above is a view of the Erie terminal at New York where vast amounts of Pacific Coast vegetables and fruits are handled.

bats and baby carriages will some day be consigned via the sky lanes.

Yet there is no immediate reason for selling your railroad stocks. While commercial prophets are busy with their visions, necessities must move from sources to consumers. An overwhelming bulk of our commodities is still carried by railways, and will be carried that way for quite some time

his Iowa birthplace to the Chicago market by rail; the hams of him are dispersed by the same agency.

The hero of my story is the freight car—the dull red freight car rattling cheerfully up and down the land, covered with chalked hieroglyphics that would foil an Egyptologist, with perhaps a migrating hobo hammocked along its rods. The importance of the freight car is attested by the fact that it is often the object of vile language and legislative investigation.

For years the curse of transportation in the United States was car shortage. There was a time when car famines were just about as regular as harvest time. Shippers called frantically upon the railroads. Harassed to distraction, the roads grabbed cars wherever they could lay hands on them, and it must be recorded with pain that the cars were not always their own. Trains of laden cars were rushed to the terminals, often jamming them to a standstill.

There were embargoes and no end of bad

IT IS interesting to speculate upon the growing numbers of humanity and tons of freight that travel by motor. Even more engrossing is the promise of air transportation. Tennyson's dream of battles in the air long ago became a reality.

We begin to wonder whether our brick-

to come. The little fat pig journeys from

feeling. The railroads fought each other and the terminal interests. Receivers fought the farmers and the carriers. Farmers fought receivers and carriers. It is no wonder that the farmers tried many strange political devices in hope of relief. The spasmodic swings from great car shortages to great car surpluses were reflected by market quotations.

These violent sags and upheavals form an unhappy chapter in our commercial history. On February 6, 1907, there was a car shortage of 137,847, which broke all records. That fall a great panic gripped the country, and by December of the same year there was a 208,586 car surplus. By the following April, it had reached 413,338.

Kicked Like Bay Steers

EXCEPT for short periods there were idle cars until the fall of 1916, when vast shipments of war supplies brought on a shortage. After the armistice there was a surplus, but the fall of 1919 brought heavy traffic, and there was a continuous shortage until the slump in December, 1920. By the following April records had been broken, with a surplus of 496,000 cars.

During the first part of 1922 there were plenty of cars, but the marketing of crops in October set a new high mark for shortages—152,000. This dearth continued well into the following year.

As the Prince of Denmark observed, man may bear his troubles—or, by opposing, end them. Suffering is a negative virtue—if it be a virtue at all. Farmers, business men, and railroad officials endured the recurring transportation ills, but they did not endure them in silence. Shippers and receivers kicked. They kicked like bay steers—whose kicks are known to be more violent than those of any other shade.

Between kicks these shippers and receivers of freight did what was vastly more effective; they met the railroads on common grounds, admitted their own shortcomings,

and pledged all their forces for the elimination of long-standing railroad evils.

It is the purpose of this and succeeding articles to record the success of these efforts. They constitute a most dramatic and far-reaching example of the growing tendency of business to work out its own problems without recourse to costly battles in court or interference by government agencies.

During the last few years there has been an amazing improvement in the handling of all freight by the American railroads. The change has been so quiet and gradual that the general public has hardly noticed it. Car shortages have become infrequent, mild and of short duration.

A striking proof of these blessings is found in the figures. They show that the roads have handled a vast increase in tonnage with only a small addition to the number of their cars. On January 1, 1921, the total of cars owned by the American railroads was 2,343,217; on December 31, 1925, they owned 2,351,058. Total car loadings for 1921 were 39,323,158; the 1925 total came to 51,177,962.

Many Causes Contribute

CONSIDER what that means. With an increase of only 7,841 in the number of freight cars, the railroads carried 11,854,804 more carloads of freight in 1925 than in 1921.

Many causes contributed to this achievement. Firstly, 1925 was a year of heavier transportation demands. Then, rolling stock of the roads was in shabby condition in 1921. Engines and cars needed to be repaired or thrown into the scrap heap. Since that time a steady outpouring of money has retired rolling stock too infirm for economical work. Repairs have been completed. Additions to equipment have included cars and locomotives bigger and better than their predecessors.

Also, the roads have cooperated to eliminate waste in the handling and return of cars. By rigidly enforced rules cars are automatically sent back to the owning line as soon as they are unloaded. This means less loafing of empties on side-tracks, and every

car does more work than it formerly did.

Granting all these as accomplishments of the railroads, there is yet to be told what the shippers and receivers have done toward bringing about the present happy state of transportation. They have speeded up the movement of freight for the entire country by loading and unloading cars promptly, by ordering cars only as needed, and by realizing that the handling of cars is a vital national problem.

A New Attitude

THE SUBSTITUTION of this attitude for old-time belligerency has been brought about principally by the formation of Shippers' Advisory Boards—voluntary regional committees, covering every section and industry of the United States. These boards work with the carriers on all shipping questions.

Like most of the benefits we enjoy, this idea was born out of great tribulations. Its birthplace was the Northwest, a land fruitful of grain, of cattle and of political phenomena.

Only the uninformed or the unsympathetic can denounce these northwestern farmers for their economic rampages.

After the deflation of war prices, conditions there were almost intolerable. The year 1922 promised to crown their miseries. Deep in debt, the farmers were being pressed by hard-pressed bankers for the payments of loans. They had to market their crops, and at once. From Montana, the Dakotas and Minnesota the railroads heard one cry:

"Cars, cars, cars!"

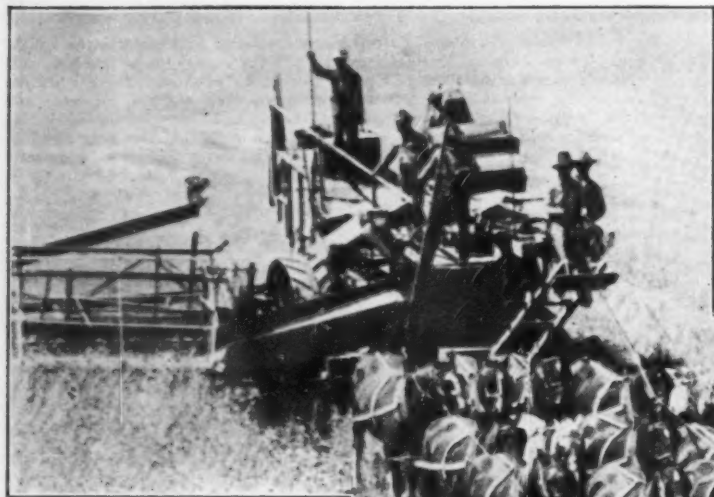
Their overwhelming demands came down upon the carriers when they had been enfeebled by a series of vicissitudes. The roads had been turned back from government control, exhausted by the stresses of war. Before they could get their equipment in order, they were further weakened by the coal strike and the strike of shopmen.

The Last Straw

EVEN in normal years before the war, they usually had car shortages at that season. What were they to do now, with their equipment shot to pieces, and this 1922 crop forced into the markets in almost a single movement?

Of course, there were not enough cars. The temper of the farmers rose to white heat.

Persons who visited the Northwest at this time declared they had seen meetings where



Every summer and fall the Western grain fields make their contribution to the world's bread. Formerly car shortages were almost as regular as harvests. It was a crisis in marketing the grain of the Northwest that forced upon railroads and shippers the blessings of cooperation. The photo shows a huge header which cuts and threshes wheat with one operation.

Above at right, a fleet of salt-water elevators, used at New York for transferring grain to freighters.



it would hardly have been safe for a railroad man to reveal his identity. The ranchers felt themselves being slowly crushed by the pressure of the banks for the immediate sale of their crops on one hand, and by the inability of the roads to haul those crops on the other.

Grain car distribution rules aggravated conditions still further. Many of the grain towns had two elevators, one owned co-operatively by the farmers, the second owned independently. As one or more elevators became blocked with grain, by the rule each elevator received the same number of cars, during period of shortage regardless of the amount of grain offered by it. Observe how this worked out.

John Olsen drove in from his ranch with his wheat. Since he owned stock in the cooperative elevator, he wanted to unload his grain there. It was his elevator, and he shared in the profits, if any. The manager was apologetic.

As It Was

"SORRY, John," he said, indicating a long line of laden wagons. "I can't take care of you. There's too many ahead. And I can't get enough cars."

John Olsen cursed some; and since his necessity for selling his wheat was urgent, he went to the competing independent elevator. The manager of this elevator met him with a smile. Sure, he would be glad to take the wheat. He had just as many cars as the cooperative elevator; but since the farmers were interested there, the independent was offered less wheat. Human nature is what it is, and the manager sometimes took advantage of John Olsen's predicament. He knew John had to sell his wheat. He knew there was no other place where it could be sold. Therefore, he bought John Olsen's wheat at two cents a bushel less than the current price.

John Olsen cursed a great deal more

and drove slowly home. Their families were seen sleeping under their wagons in zero weather. Often the independent elevators were swamped by the deluge of grain. All the rancher could do was endure the hardships and pray for more cars.

High Explosives All Around

THE SITUATION was full of TNT. People jumped at slight noises. It was evident that something had to be done at once, or there would be an explosion.

For such desperate emergencies remedies must be found. In this case the remedy was so successful that it has been applied with satisfactory results to the aches and pains of our entire transportation system. No one person claims the credit for the plan by which shippers, receivers and railroads work together; but certain names stand out in the chronicle of 1922-23.

Donald D. Conn was then, as now, manager of the public relations department of the Car Service Division of the American Railway Association. Conditions in the Northwest certainly needed a lot of public relations work. Mr. Conn jumped to Minneapolis. While opposing interests were ready to fly at each other's throats, Mr. Conn came forward with

the mild suggestion that they were not opposing interests at all. Said he:

collapse became hourly more imminent. It was decided to give the idea a trial. January 16, 1923, saw a curious gathering. Representatives of the farmers, millers, and many other lines of business sat down at a table with representatives of the railroads and tackled the common menace. It was not, "What are YOU going to do about it?" but "What are WE going to do about it?"

They were fortunate in their selection of a chairman. He was J. F. Reed, president of the Minnesota Farm Bureau Federation. His steady hand kept the conference in line, and he is still chairman of the parent regional organization, the Northwest Shippers' Advisory Board.

About this table old transgressions were admitted. Shippers confessed that they had contributed to shortages by loading cars too slowly, by not loading heavily enough, by ordering ten cars when they really needed five. Receivers acknowledged that they took their time about unloading, that if demurrage wasn't too heavy, they used the cars as warehouses until

the contents were sold. And the railroads admitted that they were not as the driven snow, either.

A common absolution for past sins was administered, and the conference got hastily to business.

Mutual Forgiveness

REPRESENTATIVES of each group pledged their associates to the common end. Farmers were not to haul grain into towns faster than it could be carried out. Elevator men agreed to load all cars as fast as they could and to heap them to the limit of their capacity. At the terminals committees were organized to see that every car was unloaded as soon as it got in, and that the car was then and there put into shape to receive a new load. The carriers promised to use all the equipment that would roll, to return grain cars as soon as they were empty, to beg and borrow all the cars they could from connecting lines.

The conference broke up, and the men went grimly to work. Every representative carried back the word.

The things he had promised were begun with hope and finished with enthusiasm. Cars moved swiftly from grain fields to grain markets and swiftly back again.

If the Duluth and Twin City terminals



PHOTOS BY
EWING GALLOWAY AND
UNDERWOOD AND UNDERWOOD

and drove slowly home.

There was hate in his heart for humanity in general and for elevator managers in particular. During these hard days farmers and

the railroads, working together! But no one else had a plan. The transportation

Government Grows and Grows!

By WILLIAM R. WOOD

Representative in Congress from Indiana

Illustrations by C. H. Forbell

A LONG time ago there was a well established principle that every function of administration of our Government should be subject to some Cabinet head.

That good intention was followed until an exception was made. Once the theory was departed from it was impossible to call a halt. We now have thirty-four independent establishments which, like the bureaus in the departments, are constantly increasing but which cannot be checked in the same way. And Congress is persistently urged to add to them.

I have made a special investigation to see how these independent bureaus started.

So far as I have been able to ascertain, the Smithsonian Institution was the first. The reason for that was a will by Dr. James Smithson, an Englishman who bequeathed a large sum for the establishment of a scientific institution. It is doing good work. I am citing it to show that with it began the creation of the independent offices.

Since then they have increased rapidly, in both numbers and size. They have grown and grown and grown. Besides the thirty-three or four that are entirely independent there are a large number of bureaus that are quasi-independent—operating within the Cabinet, supposedly, and yet without the Cabinet.

Non-responsible Bureaus

THESE independent bureaus are responsible to no one on earth.

They were created by laws of Congress which provided no definite system of control. Some of them were instructed to re-

They have been climbing upward ever since.

Just a few of the new operations, and the employees required, are given below:

United States Veterans Bureau.....	27,544
Alien Property Custodian.....	208
Board of Tax Appeals.....	104
United States Railroad (new Mediation) Board	63
United States Shipping Board.....	2,065
United States Tariff Commission.....	201
United States Employees Compensation Commission.....	68
Federal Board for Vocational Education.....	73
National Advisory Committee for Aeronautics	134
Prohibition Service.....	3,915
Income Tax work.....	4,257
	38,632

These are but a few. All branches of the postal service have expanded.

Several new bureaus have been established in the Department of Agriculture.

The soldiers' bonus has been voted.

The immigration service in the Department of Labor has increased.

The Bureau of Foreign and Domestic Commerce, the Interstate Commerce Commission, War and Navy Departments, and the general work of all other departments and offices, especially the Department of Agriculture through its numerous scientific bureaus, have grown.

The salesman is astonished to discover that there are 25 or 26 purchasing agents in the Treasury Department alone

cause the present chief has undertaken to help as much as he can. But I believe there can be further reductions.

The same criticism applies to the Interstate Commerce Commission, which comes next in size after the Veterans Bureau, Panama Canal and Government Printing Office, among the independents.

It started in 1887 with 11 employees. It now has 1,810, and an increase in the last year of nearly three hundred has been made because of the valuation act. Each Congress has added more and more duties, and the Commission keeps growing in numbers.

There is much talk now of regulating motor interstate traffic by the Federal Government. It looks as if that is bound to come in some form.

The Growth of One Agency

THE Interstate Commerce Commission has been added to by Congress at a tremendous rate compared to the number of employees of the railroads, as the table shows.

Year	Number Interstate Commerce Commission	Year	Number railroad employees, Class I Railroads
1890 ...	104	1890	749,301
1900 ...	125	1900	1,017,653
1910 ...	577	1910	1,699,420
1920 ...	1,796	1920	2,022,832
1921 ...	2,035	1921	1,659,513
1922 ...	1,801	1922	1,626,834
1923 ...	1,685	1923	1,857,674
1924 ...	1,542	1924	1,751,362
1925 ...	1,538	1925	1,746,476
1926 ...	1,810	1926

The civil service takes no account of those employed in the judicial and legislative establishments, and there is an army of employees who are not required to take the competitive examinations, such as the War Finance Corporation, Federal Reserve Board, Federal Farm Loan Board, Emergency Fleet Corporation, District of Columbia Government (except the police and fire departments), the Library of Congress.

More Unrelated Positions

BESIDES these are numerous deputy collectors of internal revenue, field employees of the prohibition service, deputy marshals, attorneys, bank examiners, consulting engineers of the Reclamation Service, superintendents of live stock, stockmen, stock detectives, line riders in the Indian Service; national parks officers, and many others.

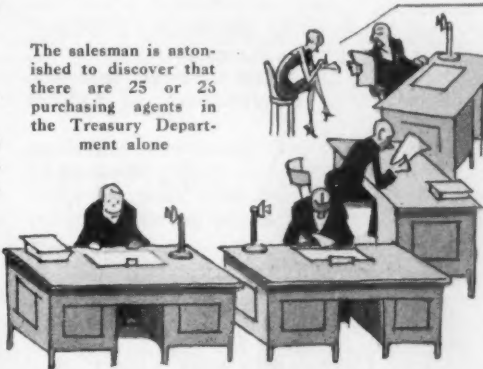
The worst abused service has been the Veterans Bureau. When it was established employees from everywhere were dumped upon it. Conditions recently have improved, be-

port to the President, and some of them were instructed to report to Congress. Some report and some don't, just as they see fit.

My idea is that these independent establishments ought to be abolished. The greater portion of them ought to be put under some Cabinet official who is responsible.

In 1916 there were in the civil service alone 438,057 employees. Dec. 31, 1925, there were 548,077, a greater figure by 110,020.

The new activities of all the establishments have grown tremendously since 1916, making due allowance for the increases due to the war. Reductions incident to that emergency reached their end in 1923, when the number of employees dropped to 544,671.



would not add one dollar to the cost of administration by creating new offices.

In less than three days after the measure became a law, the Department of Agriculture came to the Appropriations Committee, of which I am a member, and asked for an initial appropriation of \$40,000 with which to establish the nucleus of a force to carry out that provision.

This has rapidly increased to more than \$300,000 a year. The total average number of employees in the fiscal year 1926 was 142 for that work. Their salaries amounted to \$365,330. These figures do not include temporary employees and laborers taken on for short periods each year.

No wonder they keep growing. I can remember when the Bureau of Standards—and it is doing a lot of good work—occupied a space only as large as the three rooms of our committee.

That Bureau has now developed until it is one of the largest establishments of the entire Government.

How They Grow

HERE IS another illustration of how they sometimes get under way, or seek to. We have a Federal Power Commission, composed of persons assigned from the Department of Agriculture, Interior, and Commerce. It has only one salaried officer, the secretary. That gentleman came before us not long ago with a setup of employees for an entirely new establishment, to be equipped with personnel outside of those departments. We sat down on him like a thousand brick.

Before we had the budget I had charge of what was known as the Legislative, Executive and Judicial Appropriation Bill. It carried appropriations for all the clerical forces of the Government in and out of Washington. I discovered that there were some fifty-odd bureaus—independent of those carried in the departments—which were responsible to nobody at all.

They were just running wild. During that time my efforts were directed at the reduction of their forces.

They Fight Reduction

THERE were 118,000 employees in the District of Columbia at the peak of things in 1918. We undertook then to bring them down. Every time we would make the attempt they would get busy. They would make a determined effort to retain their full strength. The heads of the various divisions would seek to magnify the importance of their work, thinking that by doing so they

would be successful in retaining their employees.

It occurred to me that they were trying to maintain their own positions rather than to accomplish anything else. They seemed to have the idea that their own importance depended upon the number of employees under them.

We also found that these bureaus were overofficered, and made careful study of that phase of the problem. The head men were out of all proportion to the ones who were doing the work under them.

Reorganization Blocked

AS A result of our efforts, we succeeded before the budget was adopted in the reduction of the clerical forces by more than thirty thousand.

When the budget was adopted I was made chairman of the committee that prepares the appropriations for the independent offices. All attempts to reduce them since have been resisted.

They have always blocked reorganization plans that looked toward lessening their numbers. Trouble started with them under the Harding Administration when, at the beginning of it, an attempt was made to reorganize the Government and put the various branches where they belonged.

The operation got along in first rate fashion until those in charge of the investigation tried to separate the work of these bureaus. Each one was jealous of the other and could never agree. That was clearly revealed as attempts were made to take the work in part from one and place it with another.

And there is no exception, I believe, among any of these bureaus.

All have the same general tendency, whether under or independent of Cabinet supervision.

The number of government employees down to this day, the last reorganization plan having fallen flat, have increased oftentimes twice as fast as the population of the

entire country, considered by decades, as the following table indicates:

Year	Population	Percent- age in- crease	Year	Employees named in official register	Percent- age in- crease
1820..	9,638,453	33.1	1821	8,211*	30*
1830..	12,866,020	33.5	1831	19,800	141
1840..	17,069,453	32.5	1841	23,700	19
1850..	23,191,876	35.9	1851	33,300	40
1860..	31,443,321	35.6	1861	49,200	47
1870..	38,558,371	22.6	1871	53,900	10
1880..	50,155,783	30.1	1881	107,000	98
1890..	62,947,714	25.5	1891	166,000	55
1900..	75,994,575	20.7	1901	256,000	54
1910..	91,972,266	21	1911	378,000	47
1920..	105,710,620	14.9	1921	597,482	58

*Over 1816.

We found an amusing situation when we were making a fight to reduce the personnel several years ago, that is typical of what may be done now. In one department we ran across a situation quite by accident. Three members of our Committee on Appropriation, including myself, went to one of the branches located in a temporary war building. Without announcing who we were, I said that we understood the building was to be sold, and that we desired to inspect it. We walked down the long corridor. On either side the employees were talking and laughing, some of them in groups.

Simply Couldn't Reduce

THE HEAD of that office had stated that he needed his entire force and could not do without a single one. Soon we met some one, and thoughtlessly one of our party remarked that we were a committee of congressmen come to inspect the office. The official whom we had met hurried away and soon we heard him call out:

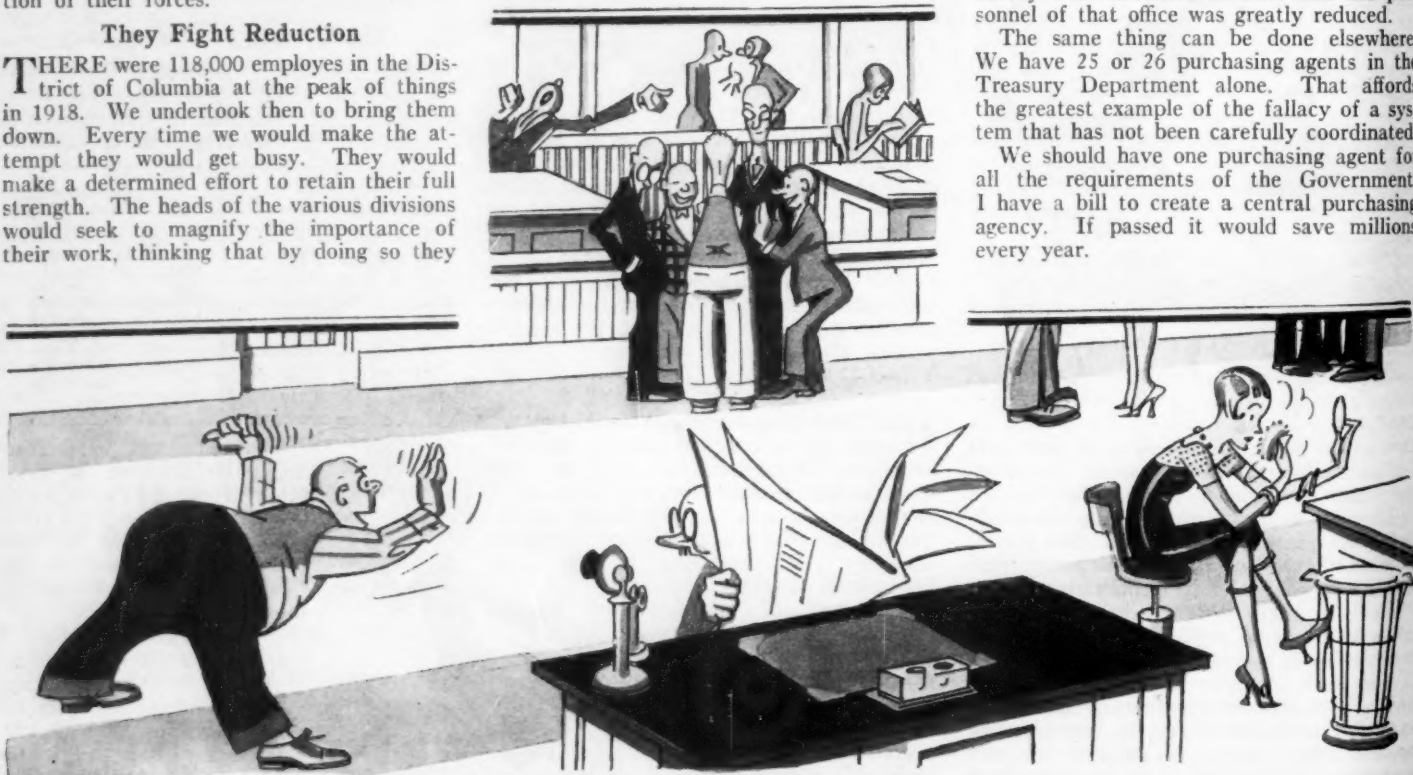
"A committee of congressmen is here. Everybody get busy."

We never heard such a scurrying, and never saw so much activity in a government department as then.

Afterward we got the head of that branch in our committee room and told him what had happened. He was greatly chagrined. A survey was instituted at once and the personnel of that office was greatly reduced.

The same thing can be done elsewhere. We have 25 or 26 purchasing agents in the Treasury Department alone. That affords the greatest example of the fallacy of a system that has not been carefully coordinated.

We should have one purchasing agent for all the requirements of the Government. I have a bill to create a central purchasing agency. If passed it would save millions every year.



"He broke up the idle groups with the terrifying shout, 'Congressmen are in the building! Everybody get busy!'"

The Farmer's Business

Appraised by Two of His Neighbors

HENRY J. ALLEN
Former Governor of Kansas

and

SAMUEL R. MCKELVIE
Former Governor of Nebraska



Among 200 farmers, resident in Sedgwick County, Kansas, Governor Allen discovered that during a given period there had been 3 per cent failures—failures in the business acceptance of the word. For the same period, among 100 business men in Wichita, the county seat of Sedgwick County, the failures aggregated 72 per cent. Above is a typical farmstead in the area of the farm failure survey. Below is the area that yielded the business casualty list

Farm Failures vs. Business Fatalities

By Former Governor Allen
Editor Wichita Beacon

I'VE JUST come from Iowa where the lugubrious comment about the despairing condition of the farmer finds its choicest vocabulary.

They make it a specialty up there.

Yet it is an oddly ironical fact that the present unhappy condition of the Iowa farmer is traceable directly to the veritable orgy of prosperity that pursued the Iowa farmer in the war period. His present condition is not the result of poor crops or bad prices.

It is a reaction from a giant speculation in real estate. It can't be cured by law. There is no legislative remedy for a busted boom. Time necessary for readjustment is nature's only remedy.

The trouble came about in this fashion. The dependability of the harvest in Iowa, which seldom scores a failure, and the high prices for the crop, especially for the corn, during the war period, seemed to turn the rich soil of Iowa into a vast gold mine. Farmers began to estimate the value of their lands upon the unheard-of results of the unusual period.

An era of land speculation set in. Farmers mortgaged the old home place for money with which to make partial payment on additional land bought under a hectic specu-

lation. Some farm lands in Iowa sold around \$500 per acre. The farm that was not valued at \$400 per acre was poor. I was told of some instances where the price of farm land went to \$600 per acre, and some beyond that. This was just for plain soil, with nothing in it but the deep black loam of Iowa. It didn't contain gold or even silver. It had beneath it no oil or mineral. It wasn't good for anything except farming for major farm commodities.

Everybody caught the spirit of speculation and men grabbed for land as though their soul's salvation depended upon the possession of more Iowa farm land. Conservative bankers caught the fever and the whole community of Iowa broke out pink

paradise of war-time profits.

Last season Iowa produced one of the greatest corn crops of her history. She could have sold in the nearby Chicago market every bushel of corn she had at around 55 cents per bushel, but that wouldn't help



and
rosy
with it.
Then came
pay day, just
as pay day came
to others who had
been living in the fool's

her. At several times it has been over 75 cents. You'd have to get 55 cents for each ear of corn to make it sufficient to meet interest charges on \$600 land, taxes on the boosted valuation, and a return in proceeds sufficient to satisfy the other overhead expenses of the war-made capitalist whose land had jumped to a price where 160 acres of it was supposed to represent a fortune of \$60,000, conservatively speaking.

Iowa isn't typical of the general condition of the American farmer.

Let me give you a picture from Kansas.

This state has been a laboratory of legislative experiments oftener than any state in the union. It is predominantly an agricultural state. In age and in general fertility of the soil it is probably second to Iowa. In present prosperity it is in a fairly satisfactory condition. It is in as good condition as is general business. It understands its problems and knows that there is no mystic alchemy in Washington to bring prosperity to agricultural effort.

Symptoms

IN THE populist days Kansas confronted somewhat in miniature the disturbing elements that now create wakefulness in Iowa. A land boom, broken and dissipated, left a lot of men gasping and frantic over loss of purely paper profits.

Then came the dream of the populist party. Cabbage warehouse receipts, fiat money, repudiation in dignified phraseology, government subsidy, were all contemplated by earnest-minded proletariats. Jerry Simpson preached to us that the only hope was in the power of Congress to relieve us. That failing them, God alone could help us! Jerry passed on; Congress continued ineffectual; God alone remained.

Last week I directed a trained member of my editorial department to make a survey of a well-known typical agricultural community in Sedgwick County, Kansas—the county in which is located Wichita. This was the test to which I invited his efforts. He was to investigate the efforts for a generation of all who had engaged in agriculture in that township, and then apply the

same type of investigation to the downtown district of Wichita through the generation.

Stories of Real Farm Life

I WANTED to know how much more prosperous were the well-directed efforts of the business man when compared with the humbler pretenses of the farmer. My staff editor selected St. Marks and Colwich, two rather typical townships

ing his inheritances on in expanded form. Now the combined properties of the Betzens has reached the imposing total of something like a quarter of a million dollars. Matt and Barthel each have eight or nine quarter sections of land and the others are well supplied with land or personal property.

John Tome was another early settler, coming there in 1883. He was the father of five boys and five girls, and all of them are well-to-do, some of them being estimated as worth as much as \$50,000 each, or such a matter.

John B. Simon was another pioneer. He had five sons, John, Joseph, William, Frank and Alphonse, and several daughters. All of them are doing well. Matt Georges is one of the very comfortably fixed pioneers.

He came to the neighborhood about the year 1885. He is said to be worth about \$75,000.

William Mies is another prosperous farmer. He has a fine home, with electric lights and other conveniences. Peter Strunk was one of the first settlers. He is dead, but he left a very substantial inheritance. One could go through the entire list of families and find no failures.

"Pray and Pay"

THERE are 100 families in the St. Marks neighborhood and about 100 in the Colwich neighborhood, and C. Suellentrop, who is the cashier of the State Bank of Colwich, being one of the pioneers himself, says that he doesn't know of more than one foreclosure in the fifteen years he has run the bank. This foreclosure was on a man who was a hard worker and a good citizen but did not use the best judgment in his management. He had three automobiles and bought equipment that proved non-productive.

Call the roll of the 200 farmers, one would find that each one is the owner of at least one quarter section of land, possibly three or four or sometimes even nine or ten. He would find, for the most part, fine comfortable homes, usually built in a setting of trimmed evergreen trees and grass lawns and flanked with orchards. He would see big mansard-roofed barns, chicken-houses, hogpens, silos, vegetable gardens and other evidences that the owners pay a lot of attention to the raising of poultry, cows, hogs, fruit and vegetables. He would find well-kept fences and painted buildings, with farm implements under cover. He would find automobiles, phonographs, pianos, running water in the houses, electric lights and other comforts.

To be sure there were hard times in the old days, when the reserve power was low, but the Smyth brothers, who sold them implements, found them strictly honest and



Cartoonists and fun-makers gave us the picture of the farmer as "Reuben," an industrious member of the "Whittle and Spit Club." But that's a gross caricature, for, says Governor Allen, "the farmer is an industrious, up-to-date expression of his day and generation. He doesn't want special legislation, but a fair chance"

in Sedgwick County. And this is what he found:

In the combined communities of St. Marks and Colwich there has not been a failure, strictly speaking, since the "hardpan days" of the eighties. There are still some first settlers in the neighborhood, and a great many more whose parents pioneered.

Among the most notable are the members of the Betzen family. There were three Betzen brothers in the old days, Barthel, John and Peter. Each of the three brothers reared large families and worked hard, pass-

punctilious in meeting their obligations. One day, long ago, we asked one of the good women of the community how her people were getting along, and she said: "Well, we just pray—and work—and pay."

They raised wheat for the most part, but they watched the corners and also raised plenty of chickens and hogs and cows and planted kafir corn and sorghums and corn and alfalfa along with their main crop. And their persistence and faithfulness have been rewarded, for they are now exceptionally well-to-do. Their community is beautiful, and the people do not have to worry.

The stores will tell that they do not have large book accounts. These farmers mostly pay cash as they go. They do not put mortgages on their farms, says Mr. Suellentrop.

The land is worth anywhere from \$100 to \$150 an acre, so it can be seen that the assets of the farmers will run from \$16,000 to the more common figure of \$25,000 and from there on up to \$50,000 and greater sums.

And here is a startling angle to the subject.

When my reports from St. Marks and Colwich townships were in I directed my observer to apply the same test for a generation to Main Street, Douglas Avenue and other business thoroughfares in Wichita, a thriving city of 100,000 population.

Here is the ghastly comparison. In the case of two hundred farmers the failures were less than 3 per cent; in over 100 cases in town during the same period the failures were over 72 per cent. These miscellaneous failures were not classified or organized. They were the grocer, the butcher, the baker and candlestick maker.

Moreover, in the city twenty-seven banks have tried to live, out of which only six succeeded and stand out as successes without need of reorganization during the generation.

A Typical Picture

THE above is the picture of a great and typical farming community in southwestern Kansas.

Isn't it time to begin to look at agriculture through normal eyes? The farmer is an industrious up-to-date expression of his day and generation. He doesn't demand spe-

cial legislation. He wants a fair chance. Give him that and he'll look out for himself, and the record of his achievements will stand up well in comparison with other industries, better protected and less touted.

And here is a fact that seems conclusive as bringing the situation up-to-date. During the period of depression in 1922-23 the Federal Land Bank with headquarters in Wichita, serving the states of Kansas, Oklahoma, New Mexico, Colorado and Wyoming, made new loans each month amounting to approximately two million dollars a month. Since that time the new loans have constantly gone down, until they are only half a million a month. The foreclosures during the period indicated have been negligible.

The only thing I am pleading for is that we return to rationality when discussing the American farmer. We have ruined the public morale touching him, and it is surprising that we haven't ruined his own morale by the constant reiteration of the fiction that he is hopelessly involved.

It's an incredible act of cruelty on the part of politically-minded people that they should spend so much time deliberately misrepresenting a brave and productive element in the American community. The

American farmer is not a failure. He has had bad times and good times along with the rest of us, and his times today are looking up rather than down.

The farmer is entitled to all the help that can be given him. Doubtless measures providing modest loans for stabilization of cooperative marketing, would be helpful and practicable, but the farmer will work out his salvation if they will stop penalizing him on transportation costs and give him an honest market. He isn't at the lowest ebb of his existence; he is in all human probability at the highest point of effectiveness that has characterized his effort at any time. Most certainly he has made excellent use of the scientific age that has come to the profession of farming.

He is a better farmer than he has ever been. He is not less industrious than he has been before. Like everybody else he prefers an automobile to a horse and a wagon, and like everybody else he saves time by using high-speed machinery of the period.

That he has gone ahead making his successes sure and steady, keeping his nerve, keeping normal under the flood of hysterical propaganda that has been expended in his behalf, is proof that he is still the rock-ribbed hope of the nation's worthiness to live.

One Thing Law Making Can Do for the Farmer

By Former Governor McKelvie

Editor, *The Nebraska Farmer*

I KNOW TWO FARMERS living on adjoining farms, one of whom last year earned nearly 10 per cent on his investment above all operating costs, purchases of equipment and improvements, while the other failed. The former began farming years ago with nothing. The latter has been farming for over thirty years and, during that time, has had many unusual advantages. If anything, the latter is the better farmer; the former is decidedly the better business man. Illustrations like this could be cited many thousandfold throughout the country.

Before proceeding to a discussion of farm-

ing and what the matter is with the farmer, I frankly admit that agriculture is plagued by ills, some of which are not of its own making. Least of these is not the blundering of the Government, prompted by the motives of self-seeking politicians to do the impossible for the farmer. On the one hand, this has led to many a vain hope by the farmer, and, on the other, it has reflected the futility of applying political remedies to economic ills.

There are some things the Government can do for agriculture, some things the Government has done, but the best thing of all that can be done is to see that the farmer



The elimination of useless labor saves money for the farmer just as it does for business

does not get the worst of the deal by giving other branches of effort an unfair advantage. Agriculture is not organized to bear the shock of economic blunders as some other branches of industry are, so injustices and inequalities that may be wrought against it have a far more depressing effect.

His Defenseless State

IT IS the unorganized state of the farmer and the independence that is born of his environment that render it all the more necessary to see that organized industry and organized labor do not take advantage of him. This done, we may then proceed to the other side of the equation, which, after all, contains the germs of abundant success for the farmer who is worthy of the name.

Returning now to the two farmers referred to in my opening statement, the whole story of the success of one and the failure of the other is told in their divergent courses of management.

One man applied to his business the rules of economy that have succeeded in all other lines of endeavor.

The other violated the most of these basic laws.

The farm is nothing if not a factory, but it is more than that—it is home for the farmer and his family. Important as the latter is, it pales into insignificance and results in failure unless the requisites of the former are observed.

There is a type of economist who would lead the farmer to believe that the less he produces the higher will be the price, and, consequently, the greater his profits. These economists seek constantly to discourage the farmer in greater unit production by arguing to him that the more he produces the less he will get for it. They say that the surplus governs the price anyhow, so why create a greater surplus.

This theory is the very antithesis of the principles that are observed in every successful line of industry.

The successful manufacturer does not content himself with the thought that he can fix the selling price of his products.

Theoretically he can do this, but in fact he cannot, for the consuming public fixes the price that it is willing to pay for any commodity.

If the price is too high, consumption is limited, and this, in turn, limits the thing the manufacturer must have—volume of business.

Henry Ford is the acknowledged peer among industrialists in this or any other country. He could have fixed a higher price on his automobile, but he did the reverse. He lowered the price and fixed a new high scale of wages for his employees. Thus all classes were better served, and Mr. Ford made greater profits than even he had dreamed of. Of course, all this was accompanied by increased efficiency in every line of his business.

Freight Tolls Low

FREIGHT rates are lower, in proportion to cost of production, than they were before the war.

The only thing that makes this possible is greater volume of business, and the roads that have not been able to secure volume are either in the hands of receivers or on the ragged edge.

The theory of present-day industry is not to limit production and fix prices, but to in-

crease production, find new avenues of consumption for the surplus, and lower prices wherever possible.

One large, if comparatively young, business has been built up solely upon the utilization of waste products of cane. Three years ago this waste clogged the dump yards of cane-sugar factories; today this erstwhile liability serves humanity in the form of a superior substitute for sheathing and is being used in hundreds of new homes. To be sure, there are limits to this, dependent largely upon possible demand, and wherever there is such a condition, the first alternative is to reduce the cost of production as a means of avoiding an increase in prices.

Competition Reaches the Farmer

REGARDLESS of what may be said to the contrary, it is a fact that industry generally is doing business on a narrower margin of profit than ever before, and the only concerns able to secure an adequate profit on their investment are those successful in securing volume.

This rule applies just as well to farming as to any other business, and the higher the price of the land or the greater the investment, the greater the necessity for observing it.

The results of a corn contest conducted among Nebraska farmers last year illustrates this fact.

In the western part of the state, the contestants, with their larger yields and more economical methods, reaped a profit of \$3.20 per acre compared with an average profit of \$1.16 per acre among farmers who produced an average of 20 bushels per acre.

In the central section, the contestants secured a profit of \$9.85 per acre compared with \$2.05 per acre for the farmer who produced only 25 bushels per acre.

In the eastern section, the average farmer who produced 35 bushels per acre received a profit of only 61 cents per acre, while the average profit among all of the contestants was \$9.49 per acre. These results were based on the prevailing price of corn, which was so low that most farmers said they could not make any money growing corn.

Value of Volume

ANOTHER striking illustration of how volume counts in farming is the results that were secured recently from several thousand cows that were under observation in cow-testing associations. The average cow that produced 100 pounds of butterfat per year yielded only \$10 profit above the cost of feed.

The 200-pound cow gave a profit of \$42, the 300-pound cow, \$72, and the 400-pound cow, \$106 above the cost of feed.

Limited production undoubtedly tends to increase prices, but this does not insure a profit in farming. Twenty bushels of corn per acre at \$1 per bushel cannot possibly be as profitable as 40 bushels of corn at 50 cents per bushel, for the surplus that the producer can sell is limited by a certain amount that he must have for seed and feed.

If these requirements amount to no more than 5 bushels per acre, the return on the balance, or 15 bushels at \$1 a bushel, would be only \$15 compared with 35 bushels at 50 cents per bushel, or \$17.50. In addition to this, there is the lower-priced corn to feed livestock, with the probability of receiving a much higher price for it.

The disposition of the surplus is indeed

an important problem for the farmer to solve, and when I say farmer I mean exactly that.

It may be expedient for the Government to try to solve it, but it certainly is not sound economically.

The most the Government can do is to help the sovereign citizen to help himself, bearing in mind that, when the sovereignty is violated, the citizen becomes a dependent, a mendicant, or, what is worse, a member of a communistic state.

This farming is a business, and the sooner we farmers find it out the sooner we will get our share of the national income. To be sure, we cannot at once give our products equal purchasing power with nonagricultural commodities, but we can do it ultimately if we organize for our protection and apply the soundest methods of management to our affairs.

No Lack of Ability

FARMERS are not failing today from lack of ability to farm well. They are tilling the soil and handling their crops and livestock far better than ever before. They are working long hours, too. Most of those who are up against it came naturally into that position through failure to manage as well as they farmed. They bought too high-priced land, or got too heavily in debt when times were good.

Farming is not a get-rich-quick enterprise. It rarely yields particularly large returns on investment, but over a reasonable period it does give reasonable returns in cash, to say nothing of the home it affords and the greater opportunity for the individual to husband his income.

The farmer who is well-to-do today is the farmer who has been industrious, thrifty, and, above all, a good manager. Such farmers have not been denied any of the real blessings or "good things of life." Indeed, they have had more of them, for they were envied by them. It will always be so, though the lure of the city and its ways increases as an attraction to the younger generation.

The farm is the home, the workshop, the environment of nature, the independence of the individual—all in one. These elements are basic to the national strength, and they must not be rendered impotent through failure to understand the problem of the farmer.

Not Going to Bow-wows

ADMITTING again that agriculture has been in the dumps, and that it is not yet out of the woods, I am not one of those who believe that unless the strong arm of the Government intervenes, the farmer is headed for the bow-wows. Too well do I know the willingness of the farmer to work, his ability to think straight when he is not misled, and his resourcefulness in working out his destiny when the hour of need arises, to believe that the time has come when he cannot overcome adversity even as he has in the past.

He is on the up grade now, and the signs point to a recurrence of exactly what has happened in the past—that in the long run agriculture reaches and passes the level of well-being that is attained by any other line of endeavor.

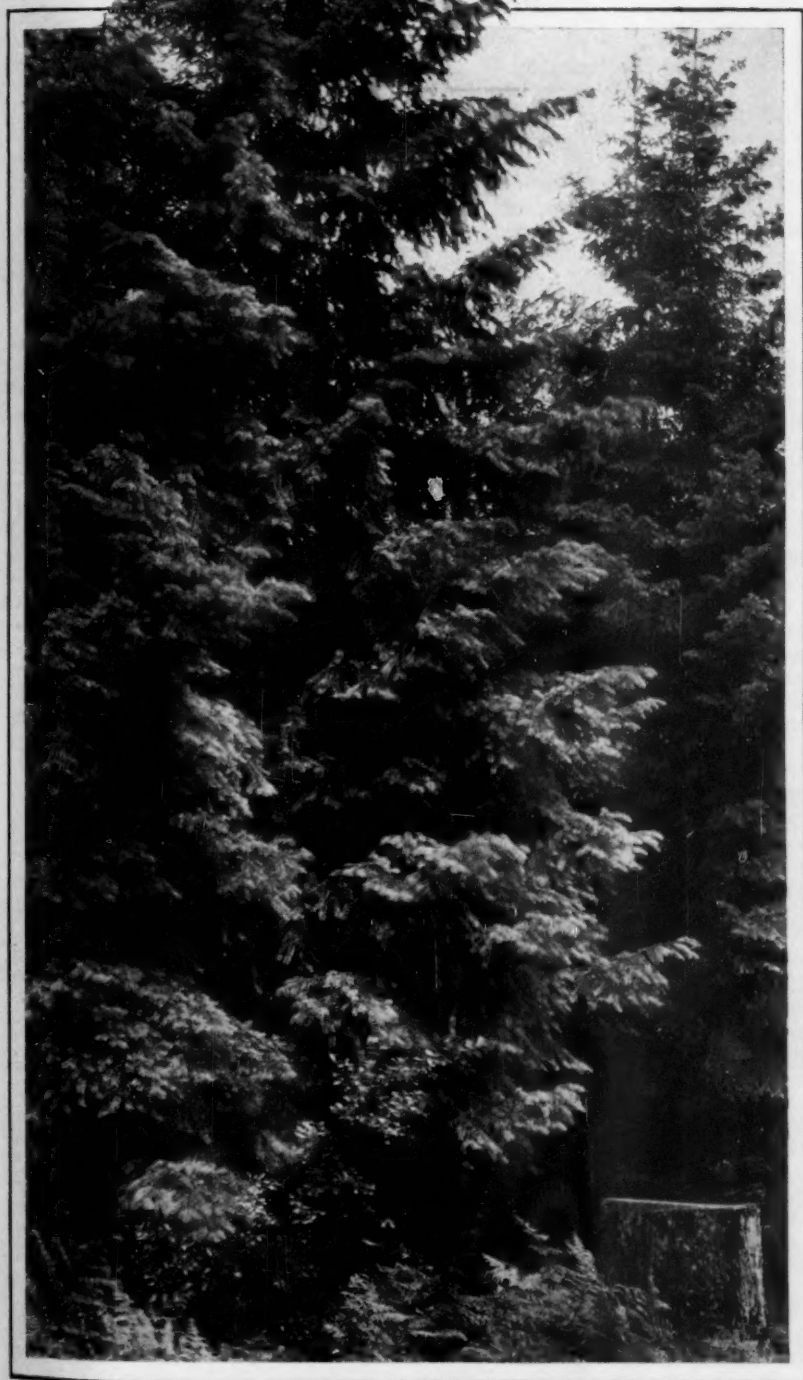
I would exercise every effort to see that the farmer gets a square deal, and I would then admonish him to apply to his business the rules of economic procedure that in their effect are as immutable as time itself.

The Lumberman Puts Conservation Into Practice in the Woods

But a Queer, Ingrowing Modesty Has Kept Him from Letting the World Know Anything About It

By HENRY SCHOTT

Director West Coast Lumber Trade Extension Bureau



BETWEEN the Cascade Mountains and the Pacific coast is the greatest forest in America—one that has never been equalled on this continent in its high yield of lumber, the all-purpose quality of the output, shipping facilities, and skill and science in manufacture.

I came to the region of this immense forest some months ago to assist in organizing the lumber industry in a merchandising campaign. I knew little of the situation and studying it at close hand, I made discoveries that surprised me. Summed up, I would characterize the condition of the lumber industry as one of diffidence, a reluctance to engage in controversy, a let-them-say-what-they-want attitude—altogether an ingrowing modesty.

It had been my impression that the forest here was on the way of the other forests of America—headed for depletion, and only a matter of years when it would have disappeared. Instead, I found that the lumbermen of this coast were actually operating and planning their business and their installations on the basis of having an industry here not for the next twenty, forty, or sixty years, but for all time—to maintain a permanent supply of lumber for the United States.

Now this was exactly opposite to all my preconceptions. I had always read and heard that it was only a matter of a few years until there would not be a forest remaining on this continent except, possibly, those under government reservation.

And Lumbermen Sat Dumb

ALMOST the first week I was in the lumber country, a public speaker at a service club in a community whose very existence depends mainly on lumber, said the forests were in their last days and what the lumberman in his destructiveness was not cutting away, forest fires were consuming.

A graphic picture was painted of clouds of smoke hanging over the mountain sides where great natural resources were feeding the insatiate firey Moloch. There was not a syllable of challenge from any one. The audience accepted it as a fact. The speech was reported in the papers, and there was not a lumberman who offered either denial or correction.

This speaker was not moved by malice and, I think, was entirely sincere in his statements. Wrong information or total lack of correct information was the basis for that address.

For thirty years there has been an active sentiment created by men and women honestly interested in conservation to make the people believe that lumber as a building material is about to disappear.

In telling about the smoke-covered mountain sides and the burning trees, the speaker was almost overcome.

But it was not a forest fire and no trees were being offered the flames!

Exactly the contrary.

These smoke clouds were due to fire protection forces

burning cuttings and slashings to prevent forest fires. Instead of these successful efforts at conservation receiving commendation, they were used as a cause for denunciation of everybody having to do with lumber!

Anyone who has lived on the coast twenty-five or thirty years can give a vivid description of the great forest fires of those days before there was any unified system of fire protection.

Today the fire loss of standing timber has been reduced almost to a negligible quantity. Every logging camp of any size whatever has one man detailed as fire warden, and his entire time is given to guard against fire danger. His word is law. In these modern camps there is a little instrument known as a hygrometer. It measures the humidity in the air. It is watched as closely as a master of a ship observes his barometer.

On Qui Vive for Fires

IN THE morning there may be a rain or a fog with the air full of moisture. Then it is practically impossible to set fire to a forest. Along in the afternoon one of the warm winds from the plains to the eastward may find its way through the Cascade passes and within a few hours the hygrometer will show a condition rapidly approaching the danger point.

These fire wardens know exactly where that danger point lies and long before it is reached on the dial, all logging work stops in that camp, and the men, who only a few hours ago were cutting timber, become a part of the fire prevention force. A warning of the rapidly decreasing moisture content in that particular district is telephoned or telegraphed to the headquarters of the fire protection associations in Portland and Seattle and relayed to every part of the lumber territory.

Men are sent on patrol and report at intervals to outlying camps which relay the reports to the central camp. The logging industry for that territory has automatically become a fire protection service. The result is not a matter of guess work, but shows in figures. Over a period of ten years the fire losses in merchantable timber in the State of Washington west of the Cascade Mountains have averaged 1/60—not 1/6, but 1/60—of 1 per cent of the standing forests. Compare that loss with the fire losses in most cities, and one must admit that the West coast lumber industry has gone far to eliminate great forest fires.

I asked a man of importance in the commercial life of this territory who was responsible for this changed condition. He told me the federal and state forest services provided the fire protection.

Conditions in Camps

AS A NEWCOMER I had investigated, and I found that of all the money spent in forest fire protection the Federal and State Governments together provided twenty-seven cents of every dollar while the lumberman gave seventy-three. Apparently the public did not know that the lumberman took any part in forest fire prevention whatever except as the beneficiary. Here again the lumberman stands indicted for neglect to state his case.

The public impression of logging operations centers about men with blanket rolls sleeping in shacks or tents or crowded in bunk houses, and provided with rough forage for food and altogether living under conditions of cruel hardship.

I couldn't find the crowded bunk houses

or tents. The married men had substantial, comfortable dwellings and the unmarried force lived in dormitories, two men to a room, iron beds, sheets and pillow cases, shower baths, radios, moving pictures, phonographs, eight-hour day.

When the whistle sounded for noon at the logging operations, I expected to see the men go to their dinner pails. Not at all. There was a train waiting and everybody got aboard and rode the two or three miles into the main camp. There, in a spotless, bright dining-room, food as good as the best markets of the nearby cities could offer was served, prepared by first-class cooks and served by waiters or waitresses. Then a smoke and then back on the train to the woods.

This was not in the towns, but out in the forest camps.

"The only trouble I have is with some of the old timers," a foreman told me. "They come here with their blanket rolls and protest about anyone trying to force them to sleep between sheets. They say they will sleep the way they want to or go some place else for a job."

Yet, I don't know where the lumbermen have indicated that such facts might be of interest to the general public. The attitude of the industry seems to have been one that might be expressed in these words:

"The best we can do is to attend to our own business. If we go out trying to correct every misstatement made about lumber and lumbermen, we won't have time for anything else."

A "Wolf" Cry That Didn't Pan Out

IN OTHER words, there wasn't even a passive resistance. The result was that right in their own lumber zones, there was little correct information about the industry and almost no recognition of its importance to the communities or the states.

About 60 per cent of the entire industrial pay-roll of the State of Washington comes from the lumber industry—a fact not known or realized—not to say appreciated—by one in a hundred of the business men in the state.

The propagandists are honest in their statements—enthusiasts who so often put the dramatic above the fact. As an example—and this is from Gifford Pinchot when he was government forester—I quote an Associated Press dispatch, dated Washington, D. C., November 4, 1907, nineteen years ago. In this Mr. Pinchot says:

In twenty years the timber supply in the United States, on government reserves and private holdings, at the present rate of cutting, will be exhausted, although it is possible that the growth of that period might extend the arrival of the famine another five years.

Nineteen years have passed, but where is Mr. Pinchot's famine?

Today there is a greater stand of merchantable timber in the territory west of the Rocky Mountains than there ever was in all of the great original forests of New England, of New York, Pennsylvania and New Jersey, and of the lake states, Michigan, Wisconsin and Minnesota.

The authority for this statement is the report of the United States Forest Service, entitled "Timber Depletion and Lumber Prices," known as the "Capper Report." The report says that it finds a total of 1,100 billion board feet as the original stand of the three sections. This is less than the estimated present stand of the Pacific coast states, which the United States Department of Agriculture estimates 1,141 billion board

feet. For the sake of comparability, all these figures are estimates of saw-timber stands; the same general comparisons would, of course, hold true for total stands, including fuel wood, and the like.

So far as I can find no one in this industry, which I said was suffering from "in-growing modesty," challenged Mr. Pinchot's statement. Naturally it was accepted by the people of the United States—with many more of like slender basis of fact.

Lumbermen Agree with T. R.

NO ONE can question the great good done by the conservationist movement. Today, it is safe to say, every lumberman on this coast is an advocate of conservation—practical conservation. His ideas on that subject may best be described in these words:

Wise forest protection does not mean the withdrawal of forest resources, whether of wood, water, or grass, from contributing their full share to the welfare of the people, but, on the contrary, gives the assurance of larger and more certain supplies. The fundamental idea of forestry is the perpetuation of forests by use.

Forest protection is not an end in itself; it is a means to increase and sustain the resources of our country and the industries which depend upon them.

That statement was made by a great conservationist—and a practical conservationist—Theodore Roosevelt. The lumberman of the West coast subscribes to every word of it.

Many a misguided and well-intentioned idealist firmly believes that not a tree in the forest should be cut.

No one has ever explained to them that growing timber is a crop just as wheat or alfalfa or corn. A tree grows, reaches its prime—that is, becomes ripe—and then come decline and decay. It would be quite as sensible to permit those overripe trees to remain uncut and rot away as it would be to let a field of ripe wheat or corn stand and go back into the soil.

Harvest—Not Butchery

THE POLICY under which the West coast lumbermen are operating is to harvest the ripe forests and have the lumber go into useful purposes when it is at its best, and to grow a new crop just as the grain farmer of Kansas or Iowa operates in his grain fields.

The question arises why such facts were not brought to the attention of the conservation enthusiast. That's for the lumberman to answer. Finally the responsibility for this neglect must come back to him. Most of the lumbermen, particularly the older generation, centered their work and their thoughts in the forests and the mills. They left the selling, the contact with the consuming public, to others. Theirs was the production end; there lay the main interest in the industry as far as they were concerned.

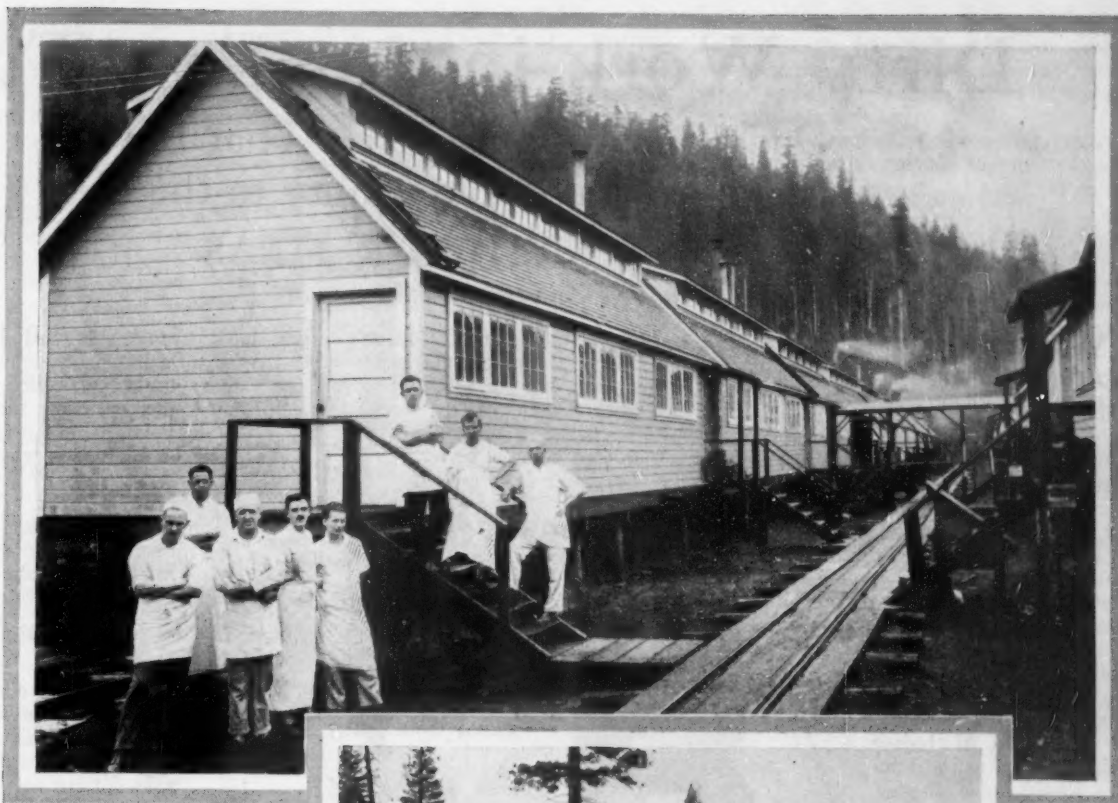
Only recently have they come to the realization that it is a matter of duty to defend their industry and to challenge and refute statements so often based upon unconscious misinformation or ignorance.

As they have cooperated in conserving and protecting the forests against fire, they are now uniting to protect their industry against groundless aspersions. And with that policy, the old attitude of letting the consumer find his way to the source of supply is also abandoned.

Instead, the lumberman now brings the facts to the buyer. He is cooperating.

Facts a Silence Complex Has Kept Back.

"Lumberjacks" are well fed by good cooks in spick-and-span dining rooms.



A few "old timers" insist on sleeping out in blankets.



Timber isn't butchered but is harvested like crops.

But others are housed in modern dormitories provided by the lumber companies.



Dirty Work in the Test-Tubes

Dark Business Mysteries That Put the Chemist's Detective Ability to the Test

By ARTHUR R. MAAS

Consulting Analytical Chemist

DO YOU enjoy a mystery story? Do chills chase each other up and down your spine when you read of baffling crimes?

Then give me your attention for a few minutes, and I will unfold mysteries of the chemist's minute world—dark deeds detected under the microscope and in the test-tube, devilish plots concocted by bacteria and reagents, for the destruction of the manufacturer's business reputation, or the stealing of a capable employee's job.

Let us begin with the Mystery of the Great "X" Tank Robbery:

In all southern California, there was probably no happier man than Al Judson. He had health, a fine family, a lovely home, money in the bank and real estate besides.

Al Judson had a splendid job. He was superintendent in the factory of a concern manufacturing a chemical product which we will designate as "X." Al knew the extraction of "X" down to the ground, though he was not a chemist. In the manipulation of this process he could get all the "X" in the raw material. Many the time his boss had complimented him upon results, since the first struggling efforts to make this product in the United States. Before it had been made abroad. When he attained results as good as any in Europe, great was the rejoicing. If there was one thing secure in this world, it seemed to be Al Judson's job.

But without premonitory warning, one Saturday afternoon, Al was told that his services would no longer be required. He lost his splendid job. They put the skids under him, as the saying goes, and from a happy man, with an enviable place in the world, he became a morbid failure, afraid to go home. Had the president of the "X" corporation been found weltering in his blood that night, suspicion would have inevitably involved Al Judson. Fortunately, nothing of the sort happened.

Why had they discharged him?

A Jinx in the Tanks

ABOUT all he could learn was, that losses in the extraction of "X" had risen to 15 per cent. A 5 per cent loss was reasonable—even in Europe they tolerated that. But 15 per cent was robbery. Some dastardly jinx had got into the tanks, or the reactions, and taken this percentage, and it was the difference between profit and loss—plain highway robbery. There had been no change in the raw material, apparently. The apparatus was the same, and the staff. There-

fore, it must be Al Judson's carelessness.

They let him out and put another man in his place, but the losses were just the same. The president of the corporation himself took charge of the plant—but he did no better.

Several weeks passed before they came to Sher-

lock Holmes. It had been bought on improper analyses. It may have been that some slick broker or seller had drawn the wool over the eyes of the corporation's purchasing agent.

Al Judson was not only blameless, but a grave injustice had been done him. He got his job back. He would probably never have lost it, or at least not suffered in his own estimation of himself, if he had called in Sherlock Holmes on his own account when accused of carelessness.

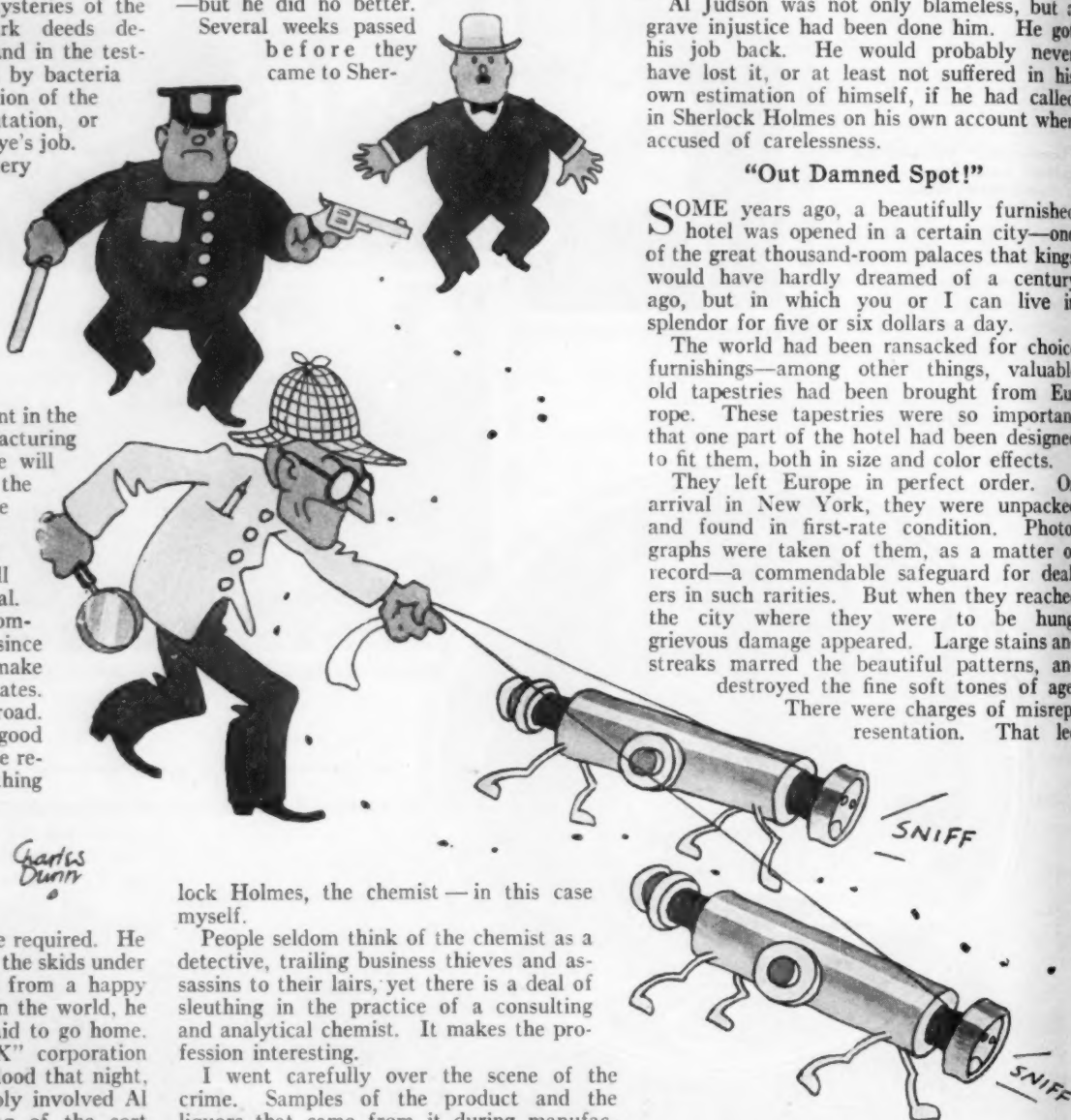
"Out Damned Spot!"

SOME years ago, a beautifully furnished hotel was opened in a certain city—one of the great thousand-room palaces that kings would have hardly dreamed of a century ago, but in which you or I can live in splendor for five or six dollars a day.

The world had been ransacked for choice furnishings—among other things, valuable old tapestries had been brought from Europe. These tapestries were so important that one part of the hotel had been designed to fit them, both in size and color effects.

They left Europe in perfect order. On arrival in New York, they were unpacked and found in first-rate condition. Photographs were taken of them, as a matter of record—a commendable safeguard for dealers in such rarities. But when they reached the city where they were to be hung, grievous damage appeared. Large stains and streaks marred the beautiful patterns, and destroyed the fine soft tones of age.

There were charges of misrepresentation. That led



lock Holmes, the chemist—in this case myself.

People seldom think of the chemist as a detective, trailing business thieves and assassins to their lairs, yet there is a deal of sleuthing in the practice of a consulting and analytical chemist. It makes the profession interesting.

I went carefully over the scene of the crime. Samples of the product and the liquors that came from it during manufacture were taken at every point, and analyzed. They showed that losses were no higher than usual.

Somewhere a robbery had occurred, but Al Judson was not guilty. Not a shred of evidence could be found that incriminated him, or indicated carelessness on his part.

Then the raw material coming from Europe was analyzed—and the dirty work uncovered.

Through some carelessness on the other side, this material had been spoiled to a degree that yielded 10 per cent less product. The spoilage was clearly accidental, and probably peculiar to that particular lot of

to my being called in to make an examination. I found the stains were recent. The microscope showed mold spores. Possibly the damage had occurred between New York and the final destination. Such damage is invariably caused by dampness, without which mold spores cannot grow. How the dampness occurred, we never learned. To this day the stains may be seen on those tapestries, hung in the spaces so carefully provided for them.

Many a deep mystery arises while goods are in transit, especially on the ocean. Insurance companies pay for certain kinds of

damage in transit. On that account, it frequently becomes important to prove that a certain damage did or did not occur while goods were traveling. If it did, the insurance company must pay, while if it is some other sort of damage, the insurance people are not responsible.

One would hardly think of a shipment of galvanized iron sheets as likely to be harmed by a sea trip. Yet, a few years ago, I was called in to solve the mystery of damage to such merchandise. The shippers claimed their galvanized iron had been corroded by sea water, for which their insurance policy provided compensation, while the insurance company maintained that the damage was not of that character.

Amateur Out of His Depth

AN ANALYSIS of the corroded iron had been made. Sea water contains chloride of sodium, or salt, which is precipitated by nitrate of silver. An amateur chemist had applied this test, and found what he believed was a proof of sea water corrosion. However, this is not an infallible test, for sea water also contains other impurities, particularly magnesium compounds. More delicate tests showed that these were absent, furnishing chemical proof that sea water was not to blame. The insurance company was thus freed of liability.

Eventually it was discovered that some washing compound had been stowed above the iron sheets. This would have caused damage of the kind that had occurred, provided there had been dampness or leakage of fresh water, which was obviously the case.

Not a few mysteries in business are puzzling because "trade secrets" are jealously guarded even when the chemist is called in. He is asked to solve the mystery without being given all of the clues.

Such a situation was found when a paper manufacturer asked me to find out what was wrong with the dye used to color a certain paper he was making. He wanted a cheerful pink tissue paper, for wrapping oranges. I suppose this hue is desired because it makes a pretty contrast with oranges, and gives the fruit a heightened attractiveness.

Color plays a large part in food. For instance, salmon cans were originally painted red, because the first salmon put up in tins was pink. There are varieties of salmon not pink at all, just as delicious, but the public has become accustomed to pink sal-

mon, and pink is regarded as superior, and brings a better price. But that same public eats white canned tuna fish, because the first canned tuna was white, and probably wouldn't buy pink tuna at any price. The public, you might say, is queer in such things.

Well, this manufacturer's pink orange wrappers were dirty pink. They had no "life." He blamed the dye he had been using, and came to me for a better one—one that would give a brilliant color.

When I began to ask questions, it developed that he had a secret formula for making his paper. When I asked for some samples of his pulp before dyeing, he was reluctant to let me have them. All he asked of me was better dye, and I could see that he had no very high opinion of my professional ability when I trailed off in a different direction.

Finally I got some of the wood pulp he was using. This revealed the trouble. Under the microscope could be seen tiny fibers of pulp that had not been bleached. They were dark orange, instead of white, as they should have been, and his dye made them darker orange, giving the paper its dull spotted hue. No dye available would have colored them pink—the stronger the dye, the more mottled they would have been.

When the defect in the pulp was corrected, he made as pretty orange wrappers as were ever seen, using the same dye that had been blamed for the trouble.

"What sort of bug would eat holes in a galvanized iron roof?"

That question was asked when a factory roof began to leak.

Inspection showed tiny holes in the metal, resembling insect ravages. There are insects in the tropics which eat holes in the lead sheathing that protect cables—so why not iron roof borers, as a new pest?

At Last the Villain!

WE FOUND the "bug." It was not an insect. Microscopic and chemical examinations of holes partly eaten through the iron revealed traces of alkali, which would do the damage.

Where did it come from?

There was no alkali around the factory. It required real deduction to run down the culprit in this case, for only a certain section of the roof had been attacked, the rest being undamaged.

By putting two and two together, and studying the winds in that locality, we traced the damage to another factory nearly half a mile away. This factory had a cooling tower for its boiler water. An alkaline water softener was used. When the wind was in a certain direction it picked up spray from the tower and brought it over to the neighboring manufacturer's roof, along with some of the water softener.

That was the "bug."

The offending manufacturer promised to make his water tower behave, and all was well again.

Speaking of trouble with the neighbors, a brick manufacturer came to me with an

tation, because it is the poison that overcomes people who let automobiles run in closed garages while they tune up the engine. Folk may well be afraid of it—if it is really around.

I took samples of the gases from the brick kilns, and analyzed them.

Birds Give a Clue

NO HARMFUL gases were found. Bricks are burned with coal or wood, and the kiln is nothing more than a fire with such fuel, burning in the open air. To make everything certain, I took samples of the air at various parts of the neighborhood. It was good air. Yet the lawyer persisted in his belief that carbon monoxide was poisoning the people. The brickmaker was innocent of any such crime, but we had to prove it. And we hit on a convincing argument.

"Apart from the gas you say comes from the brickyard, this is a nice neighborhood," I said to the attorney, in public hearing.

"Yes," he admitted.

"Plenty of sunshine, and flowers, and birds?"

"That is so."

"A good many birds, especially?"

"Yes, the birds are charming."

"This neighborhood is rather noted for its feathered songsters?" I persisted.

"Yes, everybody says that."

"Well, sir, then anybody who is at all nervous about carbon monoxide in the air, need not worry as long as there are plenty of birds. For birds are very sensitive to that gas. So much more sensitive than human beings, that after a fire in a ship, when there is reason to believe that the hold may contain carbon monoxide, or when men are about to descend into a tank, or any similar place, a canary bird is lowered before they are allowed to enter. If there is gas, the bird dies. If it lives, men may safely work."

The brickmaker has had no more trouble with his neighbors.

Women readers will be interested in the next mystery.

It deals with complexion clay!

A Meticulous Manufacturer

THIS has become a highly popular commodity, and one of my clients, putting up a clay preparation for removing wrinkles, was so scrupulous about the quality of his beautifier that he took every possible precaution in preparing it.

First, he baked the clay to sterilize it. That cost him a good deal of money.

Then he mixed it with distilled water, in air that was washed before it entered his factory. The windows were sealed. The floor and walls were steamed. He had his glass jars made on the premises, and put the clay into them while they were still warm, so that there could be no microscopic life in the containers. His girls wore gloves

interesting predicament.

People who lived near his kilns thought they were being slowly poisoned by the fumes given off in burning brick. A shrewd attorney had undertaken to represent them in the matter, and he was sure the brick kilns were polluting the air with great volumes of deadly carbon monoxide. This gas has gained quite a ghastly public repu-



in handling the preparation. Nothing that could be done was omitted.

Yet after his beauty clay had been sealed up with all these safeguards—it molded!

I found that the mold spores gained entrance to his factory through the doors, which couldn't be sealed up. And the clay, with the moisture he added to make it into a beauty preparation, afforded a fine base for mold to grow.

To overcome his difficulty, we added a harmless antiseptic to the clay preparation, preventing the growth of any mold spores that might get into it. This made it possible to eliminate baking, which was ruining his preparation for its purpose. For the clay as he received it contained water. That natural water was necessary to make a smooth, colloidal product.

Grit in the Beauty

THE COLLOIDAL texture was destroyed by baking, and adding water afterwards did not restore the smooth creaminess essential to creating the beauty sought by purchasers, but left it gritty and harsh.

The new method of manipulation cut his manufacturing expenses by fully half, and gave much greater satisfaction to his customers.

One day a man with money to invest came to us with samples of water from a spring said to contain lithium salts. Lithium is fairly rare in springs, and valued for its reputed benefit in the treatment of rheumatism. We found the lithium, because the spring was in the vicinity of San Diego, which produces probably the finest gem tourmalines in the world, and the rock in which they are found has lithium.

So far, good. But when this man had purchased the spring, and undertook to market the water, it was cloudy. Naturally, people expect spring water to be crystalline in its transparency.

Analysis showed that the cloudiness was caused by lime and iron, both desirable medicinal agents in spring water. In combination with the air, they produced a fog. By adding a trace of harmless chemical to the water we made it beautifully transparent.

Another in trouble was the owner of a fine avocado grove yielding that delicious

fruit, so rich in delicate fats and oils, and so curiously misnamed. The Spaniards discovered it upon the conquest of Mexico. The Aztec name was "ahuacatl." This was corrupted into the Spanish "avocado," meaning "lawyer," and that into the English "alligator." The fruit resembles a pear somewhat, and so it became our "alligator pear."

The city took one corner of this man's grove across which to run water pipes. In laying the pipes, clouds of dust were raised. The wind carried these to his avocado trees. The dust, combined with the dew, caked upon the leaves. Presently the trees died.

A dispute arose as to what had caused this disaster. The fruit rancher claimed that the dust raised by the pipe-laying operation had done the damage. There was no doubt that the trees had been asphyxiated for the leaves of a tree are its lungs, and when air is cut off from the leaves it suffocates for lack of carbonic acid, which it breathes, and is also unable to obtain chlorophyll, the green coloring matter of foliage.

Carelessness Charged

THE other side charged, however, that the rancher had been careless in irrigating his trees, and that the caked mud upon them had been splashed up from below, with the irrigation water.

Rather a flimsy counter-charge, in view of the fact that there was no caked dust on the under side of the leaves, while the upper surface of every leaf was covered with the dust. For court proof, it was necessary to show that the damage had been done by earthy particles of the kind found in the corner of the grove where the pipes had been laid.

This we were able to do by microscope examination, convincing the court that the caked mud on the leaves could not have come from any other section of the tract.

It has long been customary to submit matters of doubt, in criminal cases, to the scientific analysis of the chemist. And it is becoming more and more common for business men, in trouble, to turn to him for a possible solution of puzzling conditions.

Modern industry deals with finer and finer materials, smaller and smaller quanti-

ties and dimensions. Often these are so fine they disappear from ordinary eyesight. Then the test-tubes and microscope, the technical knowledge and the manipulative skill of the chemist are needed. In this field, he is the Sherlock Holmes of the business world, always ready to tackle a mystery, and intent only upon a scientific solution.

Let me enter a strong claim for the detective ability of my own profession by telling a final story:

When the automatic dial telephone first appeared in Southern California, it was hailed as a great advance over the older instruments, for one did not have to speak to an operator to get a number, or be annoyed by her misunderstanding, or wrong connections. You made the connection yourself—and likewise your own mistakes, if any. Some time after the dial telephones became general, there was trouble.

Bill would dial Jim and hear the busy signal.

Five minutes later he would dial again—Jim was still busy, apparently.

Again he would dial, and again—Jim was the busiest man in town.

And he might dial other folks, to find them all busy.

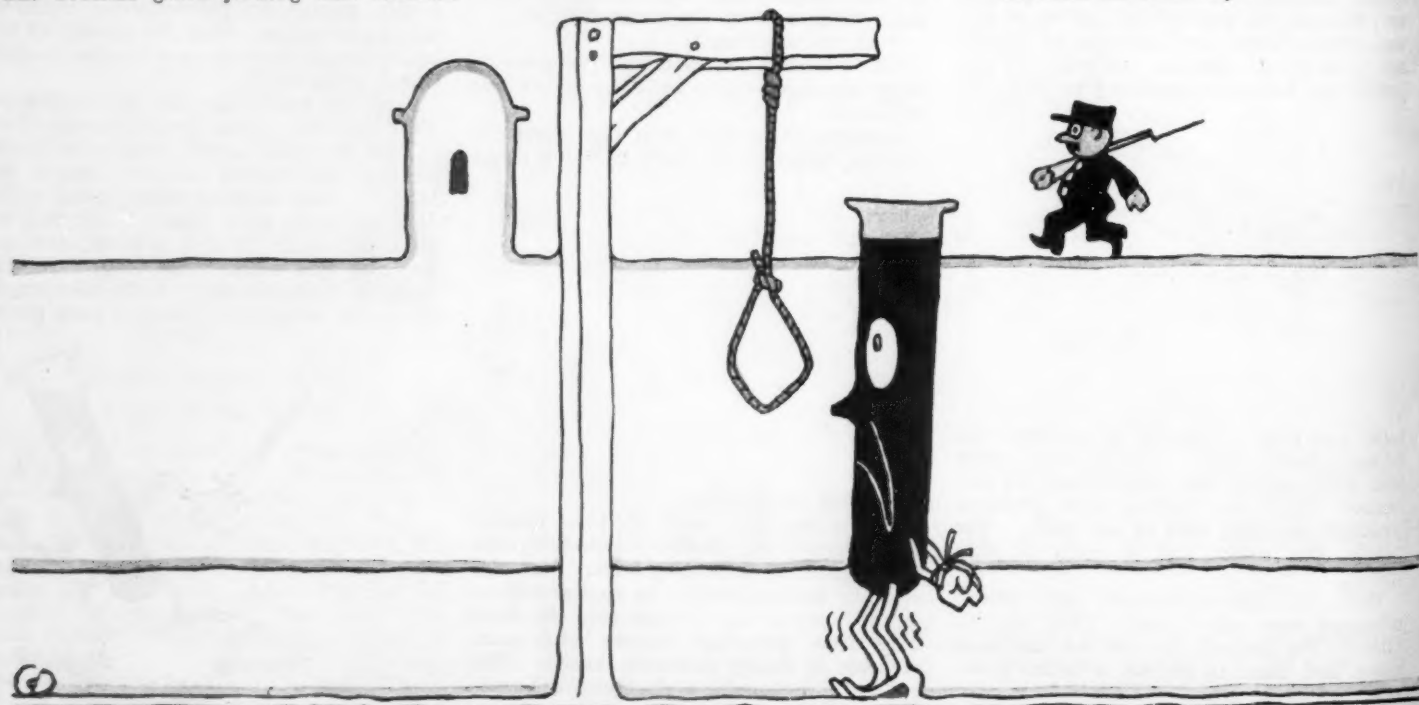
At noon he would meet Jim, and the latter would assure him that nobody had been talking over his phone at that time. This caused so many complaints that engineers and electricians sought for some obscure defect in the apparatus, but failed to locate it.

And Exit the Villain

WHEN the mystery was studied by the chemist, however, he quickly put his finger on the mischievous imp that had been causing all the confusion. One part of the new telephone apparatus had an insulating device in which oiled silk was used, the same material familiar in dressing wounds. With time, the oil in this silk oxidized, and became slightly sticky—enough to make parts of the apparatus adhere and give the busy signal. When a different insulating material was substituted, there was no more trouble.

No amount of mechanical or electrical sleuthing would have run down and pinched this jinx, because it was chemical.

So much for chemistry!



Team Play and Progress

By LEWIS E. PIERSON

Chairman of the Board, Irving Bank-Columbia Trust Company

BANKERS, today, have a particular responsibility to take stock of the economic situation and to acquaint themselves with underlying conditions and tendencies that determine the course of business as a whole. Contacts established through the American Bankers Association, the National Chamber, and through all the other valuable cooperative agencies which American business has set up for intelligent industrial teamwork, must be used by the banker so that he may have a broad and far-seeing view of business conditions, not alone as they affect one branch but as they affect the whole industrial mechanism.

It is his part not only to warn of untoward developments and to exert his influence to stabilize business, but also to direct attention to healthy and progressive forces which make for national prosperity; and, when conditions warrant it, to encourage the extension of legitimate activities of business.

The premise on which we have built up the industrial machine that makes the United States preeminent among the nations of the world is that the more any nation produces the more there will be to divide among its people. This meant the discarding of all the older industrial philosophies and altering the methods we had adopted from other manufacturing nations.

Two Essential Factors

TO MAKE this theory work, we found there were two necessities: Power machinery and business units large enough to command the capital to set up and maintain elaborate manufacturing establishments.

We have increased the horsepower back of every man until there are now four horsepower available for every industrial worker in the country. Speeding up production meant also that the consuming power of the country be increased. Fortunately, mass production means higher wages. Consequently the individual worker may buy more.

High production, high wages, and high consumption are the cardinal principles of modern American industry. Throughout the world, it is competing with the industries of other countries operating on a low production, low wage, and low consumption basis. We cannot shut our eyes to the conflict of these two systems. We should have more than merely our own opinions to determine whether in the end our system is to succeed or if it must give way to the older theories we have abandoned.

At first glance, we see our country prosperous and the other countries of the world with their factories idling and a large portion of their people unemployed. However, we know that these nations are still in the process of recovering from the effects of a long and disastrous war. Prudence, therefore, suggests that we have further evidence before we conclude that America's industrial policy must prevail.

Premier Baldwin, in a recent speech, discussing the industrial situation in Great Britain, said:

I venture to think that no trade union leader could do better service to the cause he represents than by investigating closely what the methods are that enable the American workman to enjoy a better standard of living than any other working people in the world, to produce more and at the same time to have so much higher wages.

Acting on this hint, the *London Daily Mail* organized such a Mission of Inquiry and asked one of the conservative labor

to produce a wider diffusion of contentment and prosperity than any other industrial system which the genius of man has yet devised.

Broad Scope of Team Play

SINCERELY inquiring the reasons for our progress, these visitors singled out two factors that, in their judgment, have been most responsible for our favored position.

The first of these factors is that of high production, with its corollaries of high wages and high standards of living.

The second, the cooperative spirit which today obtains between management and labor within American industry, is an important part of the spirit of team play which more and more is infusing our whole industrial establishment.

It is not only in the factory that the team play of American business becomes apparent. Trade associations, chambers of commerce and other organizations are a recognition of the need of a wider viewpoint and a better understanding than can be drawn from private affairs.

In whatever way we turn we find that business men have learned the value of united effort. We see trade associations developing the standards and science of each industry.

We see business men of each community joining chambers of commerce and merchant's associations to improve civic and commercial facilities.

We discover the Chamber of Commerce of the United States bringing together, in one great cooperative body, the organized business groups of the entire country, studying the problems that press upon all phases of industry, linking the manufacturer with the merchant and the banker, encouraging common thought and common action for the common good.

American business has accepted the American doctrine that "In union there is strength," and has put the driving force of intelligent team play back of the proved principles of its industrial philosophy. No industrial system that the brain of man can devise will ever be perfect because it will be subject to the imperfections of fallible human nature. The wise and patriotic man, however, will patiently search out these imperfections which are merely superficial and will not confuse them with imperfections that are fundamental.

I can think of no greater service which organizations of business men can perform for their members and for the public than to bring home to the American people the encouraging conviction that the fundamentals of our present industrial system are sound and secure.

While we try to cure the surface imperfections, we should hammer home the truth that our industries are built on the firm foundation of sound economics and progressive idealism.

IN THE pile of magazines and newspapers which come each day to the editor's desk is the *London Daily Mail*.

The editor, who reads the foreign press to see what the European point of view of American business is, picked up this paper the other day. Later he strolled over to another desk and said:

"It seems to me we are missing some things right near home. There are some mighty good things quoted in the *Daily Mail* from Lewis Pierson, of New York."

We thought so, too, and thought so, so definitely, that we asked Mr. Pierson to elaborate for this magazine some of the things we had read in the English newspaper.

Here briefly is some sound philosophy of organized business:

"Team play for the common good."

—The Editor

leaders to appoint eight British working men as members. The men selected were not leaders but were, without exception, men chosen from the rank and file and regularly employed at their various trades.

The men visited forty-two of our largest factories in a dozen different cities throughout the east and middle west.

It was my good fortune to talk to the men. I found them highly intelligent and possessed not only of experience and skill in their own trades but exceptionally well informed on the general problems of industry. They had seen and talked with American workmen, examined our plants, scrutinized our manufacturing methods and compared the corresponding methods and conditions with those prevailing in their own country. Their verdict was an endorsement of the American idea.

On their return to England each prepared a report, and through them all runs the plain conviction that the absence of class distinctions, the evident good feeling and cooperation between employer and employed, combined with our policy of high production and high wages, assures the continued prosperity of American industry.

These outside observers confirm our conviction that we have built up in the United States an industrial organization which, on the whole, has produced and will continue

NATION'S BUSINESS

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MERLE THORPE, Editor

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Putting a Principle Into Practice

AT ITS LAST annual meeting the Chamber of Commerce of the United States laid down as a chief plank in its platform for business that business must rule itself and rule itself rightly if it would escape burdensome government control.

A fine example of putting that principle into practice, a fine example also of cooperation, is described by F. S. Tisdale in a series of articles, the first of which opens this issue of NATION'S BUSINESS.

The railroads, working hand in hand with farmers and shippers and bankers, calling to the council table representatives of every industry affected, have done much to wipe out the car shortages which at one time the country accepted blindly as something like a dispensation of Providence, a hurricane or an earthquake.

Now the railroads plus the men who use the railroads have done much to wipe out these traffic jams, to keep our wheat moving in an orderly fashion to the mill, to the baker, to the table. Elsewhere in this country we are smoothing out other peaks and valleys in our transportation system.

A fine job of self-government by business.

The Brick Defines Itself

"THE NEW COMPETITION" faces the brick, and as one method of defense the Common Brick Manufacturers Association has circulated a definition of a brick. A brick, they say, according to the American Society for Testing Materials, is:

A structural unit rectangular in shape and made of burned clays unless designated by a prefix indicating another material.

The brick makers complain that the cement industry is using such phrases as cement brick, clay brick, sand lime brick; and the brick men want it known that burned clay makes the only genuine brick.

Definition is one weapon in the new competition. The lumber manufacturers are protesting at substitutes not made of wood, which use the word "lumber."

Looking Back at History

TO ATTEMPT to plot the possible conduct of one country by an analogy drawn from the history of another is an interesting but not profitable task. Yet there is enough likeness and enough contrast to make of interest an extract from E. T. Raymond's "Disraeli: Alien Patriot." It was written of a day when Great Britain was struggling over the repeal of the Corn Laws.

There was one powerful argument which he (Disraeli) had already used in 1843—the only argument, indeed, by which Free Trade could be challenged. Cobden was undoubtedly right, and every intelligent man of the time could see that he was right, in holding that Free Trade would increase the wealth of the country, and he could be opposed on national and patriotic grounds only by the argument that certain great industries, of which agriculture was the chief, were vital to the welfare of the nation for other than purely economic reasons. The real question before the country then was whether England should be a land mainly of farms or mainly of factories. It had to choose whether it should become the lopsided thing we now know, or whether a chance should still remain open for a more symmetrical development.

A chance—the case for retaining the Corn Laws could hardly at the moment be put higher than that. For it was certain that if the agricultural party remained a landlord party, it could not indefinitely bend the country to its will. There would never have been the smallest chance for Free Trade had England possessed a peasantry at that time.

We are not facing the same situation as Great Britain then faced. The question before us perhaps is not whether we shall be "a land mainly of farms or mainly of factories."

Yet our "agrarian agitation" has some likeness to Britain's Corn-Law struggle.

More Partners in the Railroads

THE RAILROADS and financial worlds are concerned over the undue increase in the amount of railroad bonds issued in the last few years in proportion to the amount of stocks. In the five years 1921 to 1925 some \$3,280,000,000 new railroad securities were issued, of which 96.2 per cent were bonds and notes and but 3.8 per cent were stocks.

Where the ratio of railroad debt to capital in 1919 was 54.5 per cent, it had become 58.8 per cent in 1925. Not, the railroads feel, a wholly sound tendency.

What the railroads want is more partners and not quite so many mortgage holders.

The Whirlpool of Regulation

IN AN article called "The Whirlpool of Distribution," published some time ago, we called attention to the way in which retail stores tend to overlap. Drug stores sell candy and tobacco; tobacco stores sell candy and razors and handkerchiefs; automobile accessory stores take on radio supplies.

There's another side to it. Here's what a Washington druggist must submit to in license and inspection, due in part to the multiplicity of his trade:

As special taxes or license fees he pays in one year \$6 as apothecary, \$6 as retail dealer in opium, etc., \$12 as cigar dealer, \$25 as retail dealer in liquor, and \$18 for running a restaurant—\$67 in special taxes and fees for running a drug store! The fee of \$18 for "running a restaurant" means selling ice cream.

Regarding inspections by government officers he reports: For fountain, about 10 in a year; from fire department, about 8; prohibition callers, 1 or 2; city pharmacal inspector, 1; scales, 3 (for ordinary scales, one inspector twice; for prescription scales, another inspector once); federal narcotic inspector, every year or so; building inspector, when any change is made; and a plumbing inspector for the fountain about once in a year. He has a contract Post Office branch which gets about 8 inspections in a year.

A Plea for Regulated Sport!

MUSSOLINI'S new edict putting all sports under governmental control suggests possibilities which confound the most imaginative.

Think of a Department of Sports in Washington, housed in a labyrinthian building containing the offices of technicians, research experts, administrators, and innumerable clerical assistants. At its head a Secretary of Sports, a Kenesaw Mountain Landis of all games with Bureaus of Baseball, Football, Tennis, and Heaven knows what. And Soccer struggling to be a Bureau of its own instead of just a division of a Bureau of Football.

Inspection and standardization of professional baseball, college athletics, swimming, tennis, and golf will be comparatively simple, for there are already organizations for these sports.

Judicial processes can easily force them to make innumer-

able reports and subpoena them to equally innumerable investigations.

But Congressional organization genius and inquisitorial inventiveness can only come into its own when it starts to work on the thirty-three million children in this country. An inspector for every sandlot in the country. Think of the incalculable harm if a game of baseball were played without nine men on each team, or if a football team should score on a forward pass that had touched the ground.

Research work would give the most profound scholars a chance never offered by archaeology.

How many ways are there of playing "Ten Steps" or "Still Water"?

And what is the precise meaning of "Fen" and "Fudge" in marbles?

Never need a child suffer mortification at not recognizing a familiar game called by an unfamiliar name, nor would the rules differ from one neighborhood to another under the new regime!

The Case Against Nationalization

TALK OF the nationalization of coal mines, heard loudly from time to time in England, will perhaps be echoed in this country when Congress meets again, or when, if ever, another coal strike happens. Some phrases from the report of the British Royal Commission on the nationalization of mines are worth quoting:

We are clearly of opinion that the variety and freedom of private enterprise are more likely to conduce to the progressive development of this particular industry than control by the State. . . .

Only after some years will it be possible to estimate what is likely to be the permanent aspect of the British coal industry. In these circumstances, to nationalize now would mean sinking large sums of public money in the purchase of mines that ought almost immediately to be abandoned. . . .

It would not be possible in actual working to dissociate the State from responsibility with regard to the export of coal. . . . Under nationalization . . . we should be regarded by foreign countries, not, as in Napoleon's phrase, as a nation of shopkeepers, but as a nation of coal merchants. . . .

We have seen no scheme that will withstand criticism; we perceive grave economic dangers; and we find no advantages which cannot be attained as readily, or more readily, in other ways.

Adding to Government

IN ANOTHER part of this magazine Chauncey Depew Snow writes of the desire of Canadian manufacturers for a higher tariff.

The manufacturers want their government to "set up a system of requiring invoices to be vised by accredited officers of the Dominion Government in the countries of export for all shipments valued at more than \$100.00."

But here is the one significant phrase: "They would have the government appoint the *numerous* government Trade Commissioners abroad which this step would make necessary."

Government grows and grows and grows!

What Is a Trade Association?

F. STUART FITZPATRICK, in his admirable monograph, "A Study of Associations of Business Men," undertakes to define a trade association in these words:

"An organization of business men who represent some branch of industry or commerce and in which business activity or interest, regardless of residence, is the important factor of membership."

An excellent definition, more particularly as an effort to distinguish the trade association from the chamber of commerce.

But if we should seek to define the trade association in terms of its purposes, we need another. Here's one suggestion:

"A trade association is the collective and effective intelligence of an industry."

Not satisfactory, yet indicative of what a trade association ought to be. The trade association that succeeds in best serving its members needs the best intelligence of them all.

Perhaps some one can suggest a better one.

Our Maternal and Paternal Government

IF THE CONSCIENTIOUS mother would prepare her child's school luncheon with the help of the Federal Government, she may get that help from either the Treasury Department, the Department of Agriculture, or the Department of the Interior.

The first named, through its Public Health Service, will furnish her with "Nutrition and Education."

The second, through its Bureau of Home Economics, will respond with "School Lunches."

The third, through its Bureau of Education, will send "Diet for the School Child."

Does the subject of milk for the growing child concern her, she may ask for:

"Milk, the Indispensable Food for Children," from the Children's Bureau of the Department of Labor;

"Milk and Our School Children," from the Bureau of Education of the Department of the Interior;

"Safe Milk, an Important Food Problem," from the Public Health Service of the Treasury Department;

"Milk and Its Uses in the Home," from the Bureau of Home Economics, of the Department of Agriculture.

Or would you learn to protect yourself from deadly carbon monoxide gas in garages, you can turn to the Public Health Service, the Bureau of Mines or the Bureau of Labor Statistics, and each will gladly send you a bulletin.

Some six government bureaus deal with tuberculosis prevention; three departments and an independent board are working on rural hygiene; four departments and some independent bureaus have an eye on sanitary engineering.

We round up these facts from "National Government and Public Health," written by James A. Tobey and published by the Institute for Government Health. Mr. Tobey's 400 pages are largely an argument for a central division or department of public health. To us they were more interesting for their striking instances of how government activities multiply and duplicate.

High-Hatted Salesmen

"SHIRTSLEEVES DIPLOMACY" is not for business, is the view of the Department of Commerce. That, at least, is true of the salesman who adventures into South America. In the words of a Department bulletin:

"A salesman who expects to do business in a big way in Latin American countries should be provided with a complete outfit of dress clothes—and this includes a frock coat and silk hat."

Letters of introduction, the entrée to clubs, fine stationery—all are important. Latin America does not want the "breezy go-getter."

The diplomat of business must be as well mannered if he would conquer South America as his fellow from the State Department.

It may well be, too, that there is a lesson for salesmen nearer home. None of us is likely to demand that all visiting salesmen shall "high hat" us, but most of us have suffered from an excess of breeziness.

But what would the salesman who "made" Hutchinson, Kansas, the other day, with his waistcoat pockets so full of cigars that he looked as if he was wearing a couple of cartridge belts, think of an order to arm himself with a silk hat?

Darkest Africa Goes to Market

By CONSTANT SOUTHWORTH

AMERICA may own but little territory in the tropics, and none at all in tropical Africa. But that does not mean that she has no influence in the life of tropical Africa. The fact is that American products of various sorts have begun to occupy a definitely recognized place in the life of the Africans.

It is the colonists principally who are affected, rather than the natives, for after a 1,200-mile trip through Senegal and the French Soudan, with stops at many towns and villages for days at a time, it is my belief that, by and large, the natives, though likable enough, are an indolent, inefficient, abysmally ignorant lot, who would be willing to live to the end of time without making any serious effort to obtain for themselves the products of the civilized world.

Simple Life of Natives

PERHAPS they are fortunate to have so few wants; they are better off than we, very likely. Sometimes, for instance, when traveling in Africa with a huge paraphernalia of sleeping and working equipment and supplies, I envy the half-naked natives who prosper and are happy while eating twice a day their handfuls of rice boiled with spoiled fish, while drinking straight from the germ-laden streams, and while sleeping uncovered on the ground, the floor, or anything that happens to be handy. But whether the simplicity of their life be a blessing or the opposite, it certainly makes them a poor market for the products of a more complex life.

Cheap cotton goods, perfume, sugar, cheap trinkets, cheap shoes, and other cheap commodities for use on or in their bodies are about all they buy from the civilized world. And practically without exception these goods come from European concerns which have supplied the tropical market for many years, know its demands thoroughly, and are in close touch with the large European trading concerns operating in Africa. Practically no American products are purchased by the natives of this part of Africa.

American Automobile Used

NEVERTHELESS, certain American products, though not actually purchased by the natives, are used by them frequently in the larger towns. One of these is an automobile.

What is its name?

I give the reader three guesses.

It is imported mainly by governmental authorities and European trading concerns. As far as I have been able to judge from superficial observation, there are more Fords in this

part of Africa than cars of all other makes, European and American, put together. It is generally recognized as more satisfactory than any other car for the uses to which it is put in these regions where good roads are few and repair stations fewer. Touring cars and trucks are the models most used, and negroes drive them. It makes me feel quite at home to be honked at by a motor truck of well-known make, manned by a negro chauffeur, even if the chauffeur is dressed in something resembling a nightgown.

Ford cars are used for all the purposes for

which they are used in America, and even for more. For instance, in one little town in the interior of Senegal, the principal diversion is hunting from Ford automobile trucks. I took part in several hunts. They consist in jumping with guns into a motor truck and riding rapidly away over the flat rough roads into the brush. Apparently the animals are supposed to be so curious to see what makes the peculiar noise they hear coming down the road that they all rush out in front of the truck. Then one shoots them. The theory is simple and seems good. Perhaps it was merely by exception to the rule that the game failed to appear on the days that I accompanied the chase.

An Amphibious Ford

RECENTLY a man taking moving pictures on the Niger River rigged up a Ford on a boat, in such a way that its motor furnished the propulsion for the boat. In this way he traveled thousands of miles. In Dakar, Senegal, the metropolis of French West Africa, the taxi stand consists of a line of Ford touring cars. There are also other uses in tropical Africa for this celebrated make of automobile, but they all come under the general heading of furnishing reliable motor transportation in a rough frontier country with small facility for repairs. Occasionally one also sees other makes of American automobiles. Where there are auto-

America owns no territory in tropical Africa. None the less, American products begin to take a definite place in the life of the natives. When the African potentate goes big game hunting, as like as not he drives an American-made motor truck into the bush, and Singer sewing machines are holding a place in African domestic economy



mobiles, there must be oil and gasoline. America supplies a greater proportion of the oil and gasoline for tropical Africa than she does even of the automobiles. Wherever one goes one sees tins with the familiar labels of prominent American oil companies. The oil industry of the United States pushes its export trade with tropical Africa much more energetically than do most other American industries. The only American business man I have met so far in tropical Africa is the representative of an oil company. This oil company is the only American concern which maintains constantly a representative on the African West Coast.

Another American product used wherever I have gone in tropical Africa is the Singer sewing machine. Ordinarily the French or the Syrian merchants in French West Africa purchase these machines to be used by their negro seamstresses, who sit on the porch or in the street in front of the store to do their sewing. Sometimes a particularly wealthy native merchant may own a sewing machine, but most of the machines are owned by large European mercantile trading houses which maintain chains of stores throughout the tropical west coast. One also sees many sewing machines of a prominent German make, but the American machines predominate. Many of these Singer machines are very old, for they were the first American product to become firmly established in tropical Africa.

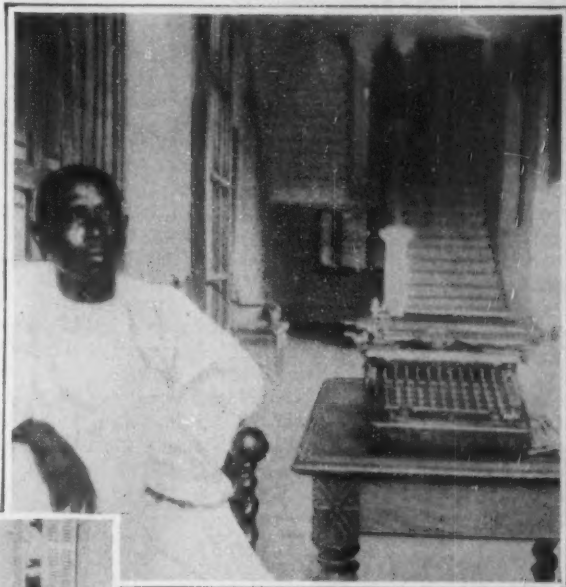
Typewriters and Kodaks

THE ONLY typewriters I have ever seen in tropical Africa have been of American manufacture. Practically all the well-known makes are represented. But one sees them only in the larger towns, and their use is seldom entrusted to the blacks, who are hardly intelligent or trained enough to operate them satisfactorily. All those I have ever seen in French West Africa looked as if they had been bought before the war.

The Eastman Company holds the field in cameras, films, and other camera sup-

plies. I have yet to see any other kind of camera advertised in tropical Africa. The various German makes seem to have gained almost no foothold. Even where other cameras are used, the American company leads the field in supplying films. Certain French companies also sell films, but, as far as I can see, the American company is ahead. However, the use of cameras is confined to white men. It will probably be many a long year before a 100 per cent African will think about purchasing a camera for himself. Nevertheless, the native is interested in photographs and in cameras.

Almost all the natives of tropical Africa, in sharp contrast to



their Berber and Arab brothers of north Africa, are anxious to have their pictures taken. Occasionally one will try to capitalize his value as a subject for photographs. For instance, at a dry goods store in Dakar, Senegal, I wanted to photograph a negro who was operating an American sewing machine. I told him I was taking photographs of American products in Senegal. He said, "All right, but you must pay me." I said, "How much?" He replied, "Twenty-five francs" (about \$1.25 at the prevailing rate of exchange). Whereupon I laughed and left the store.

Reputed Wealth of Americans

LATER I had many and much better chances to get pictures of natives operating sewing machines without having to pay for the privilege. Unfortunately, there is a general conviction throughout tropical Africa, as well as in some other parts of the world, that every American has more money than he knows what to do with.

For the sake of myself and any other Americans who may follow me, I have been doing my best to dispel that illusion.

One sees also various other American products, but in the main they are high-class specialties which have reached these parts more or less by accident on account of their outstanding quality, not because the American manufacturer or his agents have made any special effort to introduce them into tropical Africa.

For instance, one occasionally sees American fountain pens.

The Much-traveled Peach

ON THE Senegal River in the colony of Mauretania, I ate some excellent peaches canned in California. American canned fruit and vegetables have a well-deserved reputation here in tropical Africa, but the number of people who can afford to eat them is small. California fruit in the interior of tropical Africa, hundreds of miles from a railroad, does seem something of a luxury. The market for goods of this sort is hardly capable of wide extension. The wonder is that they can be sold at all here in this far-away land which, though popularly supposed to be a para-



A 1,200-mile trip through tropical Africa revealed to the author many familiar names. The only typewriters in the region, for example, were of American make; Eastman, of Rochester, was without competition in cameras and picture-making paraphernalia; and Detroit's most popular motor was liberally advertised over garage doors and American oils and gas were available to make 'em go

dise of luscious tropical fruits, abounds in little but negroes, mosquitoes, and peanuts.

I have left, to the last, two of the most important exports of the United States to tropical Africa—products in which the United States has pretty nearly a monopoly in supplying the world. The reason for not mentioning them earlier is that they are not tangible physical objects like the other products. Yet America is better known here probably for them than for the ones already described. They are moving pictures and jazz music.

On one of the first evenings during my stay in tropical Africa I went to the movies. The principal picture was an American comedy featuring a very well-known American comedian. It gave one a queer feeling to see something so peculiarly American in a land differing so much from America as does Africa. The seats were rather expensive, and there was no music—the show was given in an open-air garden.

Advent of the Cinema

THE audience was composed almost exclusively of natives. As yet about the only places in tropical Africa where moving pictures are shown are in the larger cities, principally on the coast, yet everywhere we go in the interior we find the natives dying from curiosity to see the "cinema." My traveling companion is making magnetic observations with an instrument somewhat resembling an ordinary surveying instrument. Wherever we go, the natives think he is taking moving pictures—"doing the cinema," as they call it. At one town the report got around that we were to give a movie show.

That evening a couple of hundred natives came to our quarters, only to be turned away disappointed. Unquestionably there is an unlimited demand for moving picture en-

tertainment from the natives of Africa. The question is whether that demand is a real one in an economic sense—that is, whether it is backed by the ability to purchase entrance tickets.

I was almost shocked when I first heard an American jazz orchestra in tropical Africa. To think that I had left Broadway to sit on an African sidewalk and hear a fox-trot syncopated in the latest approved style of Paul Whiteman!

Nothing was missing.

In the repertory were included selections from the latest musical comedy hit in the United States. The saxophones were there, the xylophones were there. Oh, yes; one thing was missing. For some months before I left the United States it had been the fashion to end a dance piece by adding the minor sevenths to a closing chord, giving an effect of incompleteness. That little trick has not yet reached the tropics.

The first time I heard jazz music on the African West Coast, it was too hot to dance. People preferred to sip their iced drinks in the sidewalk cafe, and listen. Besides, there was a shortage of ladies. But later, when I returned to the same town in the winter, they had established a gorgeous new cafe with a dancing floor the equal of New York's best night resorts. Also they had imported a most efficient staff of lady partners from Paris, who now keep the feet and the wine moving merrily. The one-steps and fox-trots are usually to American jazz, but European music inspires the waltzes and tangos.

The Unmusical Africans

UNFORTUNATELY, jazz, or any other civilized music in Africa, is appreciated only by the white. There is no market for rational music of any sort among the natives

here. They seem to have been born quite without capacity to produce and to appreciate music. These blacks, whose kin in the United States have produced a species of music that furnished the airs for a celebrated opera and who are famous the world over for their sense of rhythm, do not seem to be able to whistle. Some of them do enough singing; but heavens, what do they sing! Such a tuneless, rhythmless, monotonous, absolutely meaningless succession of weird sounds I never heard before.

American Goods Win by Merit

AFTER traveling for ten days on a native barge down the Senegal River, I was profoundly happy to get away from the singer on that boat. It irritated me to have those natives prefer that senseless, unmelodic jumble of repetitions to a good rhythmic American march or dance. It looks to me as if the popularity of American music, as far as tropical Africa is concerned, will continue to be confined to the whites, with whom it is the favorite music.

Finally, in considering the part played by American products in tropical African life, one is impressed by the fact that in almost every instance these products have established themselves here because they were the best thing of their sort obtainable anywhere in the world. They have won out through superior merit, and the merit in most cases is due not so much to superior natural advantages of production in America as to the superior conception of what the finished products should be which lay originally in the minds of their makers.

Their success in tropical Africa is an earnest of what America could do in meeting a much greater variety of tropical needs. The chief question is whether America cares to make the effort.

Buying—The Neglected Science

By H. E. IRISH

Purchase Engineer, Western Electric Co.

A SAVAGE bartering a stone arrowhead for a fish seems a remote episode in the history of civilization. Yet when some otherwise modern and progressive corporations desire to purchase supplies, the process is much the same as that employed by the primitive savage. The method is one of trading, and the shrewdest trader wins.

The technical side of manufacturing has been developed to a remarkable degree. Business in general has been brought to the most advanced point of efficiency which it has ever attained; but purchasing is still in the embryonic phase. True, it is emerging from this state, but the contrast between the elaborate structure of modern business and the lowly position of purchasing in it is startling.

Lack of Literature

THERE are many evidences of the primitive state of purchasing, but perhaps the strongest is the lack of literature and courses of instruction. Colleges do not offer any comprehensive courses in the principles and practices of purchasing; such instruction as is offered usually consists mainly of office management and is confined to discussion of forms, routines, and the like, rather than to the broader phase of purchasing as a function of business.

The literature of purchasing is meager. Not more than twelve books have been published on the subject, and most of these deal with office management rather than purchasing; of a handful of short articles, virtually all deal with particular phases of purchasing and cannot be made the basis for anything more pretentious.

The Upset of Practices

ONE OF the outstanding publishers of business books has never issued any complete book on purchasing, although 201 volumes on business subjects have been put out by this house.

Just how this important business function has come to be neglected appears when the major trends which have occupied the energies of business from the beginning are traced historically. Modern business may be said to have started with the industrial revolution about 100 years ago. The first state was the change in manufacturing from the small job to the large job, from small production to quantity production, from generalization of labor to specialization of labor.

This new form of industry required the sale of goods over a larger territory. Selling was thereupon initiated and advanced rapidly as a new technique. Larger sales

brought the necessity for new financial practices. Then followed the development of accounting. As an aid in further developing sales, advertising was evolved and exploited.

To keep records, handle orders and take care of a multitude of details, office management presented important problems which were met by a new branch of business art. The efficiency expert—the culmination of this phase—was the outstanding development of a decade ago.

Then the World War came, and with it all established practices were upset. Everything was subordinated to production in the interest of military success. With the establishment of peace came the boom of 1919 and 1920, with its subsequent severe depression, a period which gave momentum to another important business development; the day of the economist had arrived. These were the days of introspection and analysis; the business cycle was studied and lessons drawn; the economic soundness of business was investigated with the aim of squaring business with basic economics.

Problems in Personnel

TODAY we have personnel, demanding attention as a paramount business and industrial problem for the first time. The handling of employees, industry interesting



"The savage bartering a stone arrowhead for a fish seems a remote episode"

itself in the workman as a human being, new ideas of the proper relationship between business and the workman—these are phases of the present-day tendency. No matter how involved, the problems of personnel will be solved, as many of them have been already.

Business has still to deal with purchasing in a scientific way, and it must be dealt with in that way, if the prices of finished products are to be kept from advancing under the conditions which confront us.

There should be no expectation of a reduction of wages as the first factor, for such a reduction must be a result of lower prices and not a cause. Scientific development of almost all phases of business has progressed to the point where no material economy can be found easily or at once.

There are, however, three factors which will have an important effect on the conduct of business during the coming years. Of these factors, two have already been worked on to a considerable degree. The third is almost untouched.

Factors in Business Economy

FIRST comes the continuation of the development of labor-saving machinery. Although important economies have already been accomplished, there is no question that even further development may be expected. This is one of the important factors which will engage the energies of scientific industries in approaching years.

The second factor, standardization and elimination of waste, will also be sought continuously, and new economies will be added to the considerable ones already obtained.

The third factor is purchasing. The day of the salesman and the order-giving buyer is over. Time-honored methods of trading are going down before a new knowledge of costs and market trends and the development of new purchasing technique, wholly different from anything which has been attempted.

Essentials of Purchasing

THESE changes which are coming about are not in what the purchasing agent buys, but in his methods of buying. There will continue to be three buying factors limiting and defining the things which the purchasing agent fundamentally is buying—quality, service, and price, in that order. A good purchasing department cannot neglect any one of these factors even though the material it buys is special to its own needs, or when purchasing must be distributed over a large territory.

To buy these three factors properly, purchasing must be treated as a primary function of the business organization. And to make it a primary function, the centralization of all purchases in a single bureau is essential. That these three factors—and not price alone—are vitally important, ought to be evident.

Quality of materials purchased, of course,

should be maintained through specifications and rigid inspection. Granted an adequate system in these respects, better material than the specification calls for is unnecessary. Poorer material should not be bought. It is the duty, usually, of the engineering department to state the quality needed, but the experience of the purchasing department should be used in establishing commercial qualities wherever possible.

Service, involving time of delivery, is almost as important as quality and must be required at all times in spite of increased or decreased requisitions. The material must be delivered when wanted, not ahead of schedule, as that might increase investment, or behind schedule, as that would hold up the shop or outside plant construction. Here both the stores department and the manufacturing department are interested.

Experience in Buying Needed

BUT again the experience of the purchasing department is needed, so that reasonable requisitions can be placed and thus delivery conditions met.

Price must not exceed the value of similar standard commercial articles or the price paid by competitors for the same thing. Here the sales, financial, and administrative branches are interested through the relation of prices paid to the profits of the company and the important position of the cost of raw materials in sales prices. It is clear,

therefore, that the purchasing department must have an established relation with all other general departments.

Subordinate it to some other department, and certain factors inevitably suffer, if to the manufacturing department, delivery becomes the primary concern; if to the stores department, investment in stocks; if to the engineering department, quality. Only as a free unit and a primary function of the company organization can the purchasing department obtain a proper balance between the necessary factors.

Instead of attempting to buy the three important factors through the old methods of trading, the new purchasing department uses new methods. Instead of relying on the advice of a salesman or on information given to him and working from a list price down, the new purchasing department seeks to work on the basis of established facts from the cost of production up to a proper purchase price which permits a reasonable profit to the supplier.

This suggests at once the concrete issue of exactly how the purchasing department proceeds. As a matter of fact, there is no real body of experience on which to draw.

The Western Electric Company recognized some years ago the complete lack of data on scientific purchasing. As a result, it has built up its purchase organization to handle the problem of buying in a different way. The plans worked out by this company and by other progressive purchasing departments are the only concrete data now available. In the experience so far recorded, the following methods of scientific purchasing have proved significant and valuable:

Buying at the correct time of the market.

Buying on a Low Market

UNDER present conditions the heaviest purchasing is normally done by the average concern at the high points of the market, and the smallest quantity at the bottom or near the bottom. The reason is obvious. When demand is good, it is necessary to buy, and prices under such circumstances are high. When prices are low, demand is low and virtually no purchasing is done. The purchasing agent seeks to reverse this condition and to make the large purchases near the bottom of the market and the small purchases near the top. To the extent that he achieves this aim, he gives his company a decided advantage over its competitors.

Buying at the correct price, at the time purchases are made.

It is impossible to be sure that prices paid are correct unless an analysis is made of the costs of the material. Competition does not always give the proper purchase price. But through studies of the relative costs of raw materials used in the manufacture of commodities, the cost of labor involved, the allowance for general expenses and a reasonable profit, it is possible in an increasing number of cases to indicate to suppliers that quotations are not correct and that revisions are in order. This is done after the competition has been obtained; and reductions so realized must be recognized as true purchasing profits.

Standardization.

The standardization of as many materials as regularly required is another factor to

consider. The purchasing department must be continually analyzing these items, and wherever the quantity becomes sufficient, they should be presented to the proper authorities for the establishment of standards. It is sometimes astounding how large the profits are on small items. The usual result is a reduction from 20 to 30 per cent in unit cost.

There is no doubt that centralization of buying, which has as one of its corollaries buying in quantity, results in lower purchase prices. It is too often the case, however, that quantity purchasing is broken down through the distribution of requirements among several sources of supply. Also, purchases are broken up into small lots through orders being placed at frequent intervals. The general result is that a large number of contracts for one item are placed when one or two contracts for larger quantities over longer periods would result in better prices and better service, and also in better competition in that suppliers know that they are bidding for a large and not a small part of the business.

Leveling Purchase Peaks

THE VALUE of the long-term contract is only beginning to be appreciated in the purchasing field. Economies which can result from this method are apparent. It permits continuity of production at suppliers' plants, allows suppliers to purchase their materials in quantity and at the proper time of the market. It prevents excessive sales effort, reduces clerical expense for both the buyer and the seller; and it affords economies in service.

An important factor to consider in good buying is the cost of bringing the material from the producing point to the point of consumption. The forming of geographical zones of production for serving certain zones of consumption must receive a great deal of attention by the modern purchasing agent. As a part of this plan, a new type of competition is developed in that there is competition between zones of production rather than individual competition, and at the same time freight charges are reduced to the minimum.

The six methods of scientific purchasing thus summarized are lines of immediate progress, but they are by no means the final extent of the scientific purchasing agent's activity. The development of new methods must follow as rapidly as possible.

There may be, for example, direct dealing between manufacturers in some cases, which will give a tendency toward reduction of

sales cost. There are possibilities in the co-operative buying of imported commodities, especially raw materials.

A Primary Function

WITH this outlook for virtually unlimited development of purchasing from its present primitive status, the question becomes increasingly insistent as to what can be expected as a result of this development.

First—and perhaps most striking—direct profits from purchasing can be made, purchasing can be removed from the category of an expense department and made to yield its share of the company's profit. And the profits made through purchasing are net; there is no deduction for overhead or other charges.

Second, since scientific purchasing means lower costs, it must be an important factor in maintaining low prices on finished products.

Third, with the proper development of purchasing, it is not unreasonable to expect an increased ironing out of peaks and depressions in business, and a general stabilization, the value of which is inestimable.

Such results can be attained only through collective effort and the application of the best thought of many groups and individuals to the problems.

There must be recognition of purchasing as a primary function of business.



"Business in general has been brought to the most advanced point of efficiency"



Getting Things Done

By BERTON BRALEY

FROM the time of man's beginnings in the dim primordial ages
Through the chronicle of progress in its slow, unfolding stages,
Man has fought and toiled and struggled, under captains, under kings,
For his hopes and for his longings and a world of better things.
And whenever his achievement has been near to what he planned
You will find it grew from slogging at the task he had in hand,
Holding always to the maxim—though by time and chance perplexed—
“If you do the job before you, you'll be ready for the next!”

EVERY leader, every prophet, has his secret of success;
Some are plodders trudging forward, some are gamblers, more or less,
Bucking fate, the hard-faced master of life's never-ending game,
Risking hope and faith and knowledge as they play for wealth or fame.
But whatever be their method, one of safety or of daring,
There's a common homely virtue in which all of them are sharing;
Though beset by difficulties and by circumstances vexed,
Yet they do the job before them—and are ready for the next!

MAXIMS of success are many—you can boil them down to one,
That the man men choose to lead them is the man who gets things done;
Who will take the job he's given, be it trivial or sublime,
And will give it all that's in him till it's done—and done on time!
This is “copy-book palaver—worn and wearisome and trite”?
Well, you'll generally notice that the “copy-books” are right!
“Lives of great men all remind us” of this homely little text,
“If you do the job before you, you'll be ready for the next!”

Everyman and His Bank

V.—There Are More Ways of "Overdrawing"
Than by Writing Too Many Checks

By DALE GRAHAM

Illustrations by Emmett Watson

WITH CONSIDERABLE effort, Lucifer Smith negotiated the last few steps of the long stairway that led to the office of the Climax Printing Company.

Physically and mentally, he was very, very warm. It was the kind of a day that melts asphalt pavements, scorches one's good nature, burns one's vitality to a cinder—the kind of a day when those who can afford it forsake airy offices and electric fans to broil themselves in the sun on the beach or the golf course.

But Lucifer's mental heat was not due to the weather. He had fought hard and lost an argument, and the fact piqued him. On this occasion, as on several others, his forensic sparring partner was Vice-President Vernon Martin of the First National Bank.

"I guess you didn't know we were overdrawn," was the greeting the president of the Climax gave Dan Houghton, his secretary and treasurer, as he entered the office.

A look of bewilderment on Houghton's face plainly indicated that he did not.

"Overdrawn? Why, what happened to that big batch of checks I gave you as you left for the bank this morning? Besides, I—"

"I deposited them, and still we are overdrawn."

A Noble Mind O'erthrown?

THE SECRETARY and treasurer looked carefully at his superior to determine whether he was joking or really affected by the heat. He found, however, in Lucifer's face only an air of unpleasant resignation.

"Look here, I'm running the check book and know how much money ought to be in the bank. Who says we are overdrawn?"

"Who says so? Why the Scientific Department down at the bank. You see, we are not actually out of cash; we are just scientifically overdrawn." There was a hint of sarcasm in these words, but nothing to enlighten Dan Houghton as to the meaning of the statement.

"Say, look here! Either the heat has got you, or you have broken into some corner soft-drink parlor. What, if anything, are

you talking about?"

"I mean just what I say. The Analysis Department down at the First National has figured out that we are overdrawn most of the time, including the present."

"But how could we be when you made a deposit of nearly \$2,500 this morning?"

"Don't think that idea is original with you. I asked the same question an hour or so ago, and the worst of it is that there is an answer to it."



The sort of a day when men leave breezy offices to broil themselves on the golf links

"Well, I'm going to keep on writing checks until you convince me that there is an answer to it."

"Look here, Dan, all I can give you is the thunder Martin gave me during the argument. At first I didn't think there is much to it, but since I lost the debate I will shoot it to you as it was shot to me. We are overdrawn more than half the time because we deposit so many checks."

"Because we deposit so many checks! That's a new one! I've heard of people being overdrawn because they wrote so many checks, but that's an entirely new phase I had overlooked. Suppose we stop depositing them; I guess that will cure the situation."

No Comedy Needed

"YOU DON'T have to get funny with me. I'm just telling you what was given me as the reason. You see it's come about since we went into the mail-order book business and began getting so many checks drawn on New York, Chicago, St. Louis, Schenectady, Podunk, Squeedunk, or what have you. Those checks don't stack up in the old bank account like the gold dollars."

"Why they're good as gold, aren't they? None of them ever come back."

"Yes, but it's not a matter of whether they are good, but when they are good. Somebody's got to hold the bag until they are collected."

"Now look here, Dan, you don't know anything about banking," said Lucifer, "so I'll begin in the elementary stages. When you deposit a ten-dollar bill in the bank, that is cash, but when you put in a check it is not cash. It's merely an order of somebody's on a bank to pay money."

"Which is the equivalent of cash?"

"No, it's not the equivalent of cash—that is, with one exception, when the check is drawn on the bank to which it is presented. But take our case, for example. We used to get mostly checks on banks here in the city. Those drawn on the First National, where we deposited them, were immediately charged to the accounts of the drawers, and were just the same as greenbacks. But most of those on other banks had to hold over until the next day, when they were collected through the clearing house. So, don't you see, the First National didn't get its money until the day following our deposit. When our checks could be collected the next day, it wasn't so bad, but now since we've gone into this out-of-town selling game, we get checks that it takes from two to seven days to collect."

"Well, what of it?"

"Well, in the meantime we are using the

STAINLESS STEEL

as an added sales stimulus

HERE'S a phrase that gets real interest and opens a veritable pathway into millions of homes—"It's made of Stainless Steel." That alone has been sufficient sales argument to lift many products out of the hopeless maze of disappearing profits and give new sales stimulus—new profit records—new leadership.

Consider your sales problem in connection with the advantages offered by Stainless Steel—What parts of your product would be better if they wouldn't rust—if they would hold a silver bright finish with never a need to replate? What parts would be more suitable if they wouldn't tarnish—if they would resist the action of acids—if they would always be easy to clean?

Picture your product in that light. You may find in Stainless Steel a material that will immediately give your product an entirely new saleability—a new acceptance—new life—even new uses!

We will be glad to discuss the possibilities of Stainless Steel with you in reference to its adaptability to your product or certain parts of it. It may mean much to you in the way of new interest from both your own sales force and the retailers—and above all, it may give the consumers a new and important reason for preferring your product.

Send the coupon for free copy of "Stainless in Industry."

AMERICAN STAINLESS STEEL COMPANY
COMMONWEALTH BUILDING - PITTSBURGH, PA.



How the Burke Golf Company Increased Golf Club Sales

To put out a new line of golf clubs is not so difficult—though there are styles galore now. But to have a new line immediately accepted by dealers *and* golfers—that's another matter.

And that's exactly what was accomplished when Burke Stainless Golf Irons were made ready for a waiting market of *really* interested golfers.

Clubs that will not rust—that are practically nickproof—that are made of genuine Stainless Steel—well, if you're a golfer you know that's enough *extra saleability* to enliven sales records a lot—And it did.



Coupon

AMERICAN STAINLESS STEEL COMPANY
Commonwealth Building, Pittsburgh, Pa.

Send me a copy of your booklet "Stainless in Industry."

Name.....

Company.....

Address.....

City.....State.....

Talk STAINLESS POSSIBILITIES with your board of Directors

bank's money by writing checks on the deposit."

"I know, but our checks never amount to as much as our balance."

"You think they don't, but on those five- and six-day stretches, they pile up on us. Get a pencil and paper and put down what I tell you."

Automatically, Dan Houghton obeyed.

"All right, now write the days of the week down, one under the other. Now suppose each day we got \$1,000 in checks that it took six days to collect. We don't, but we get enough other stuff to make up that much. Put down \$1,000 opposite Monday. It takes six days to collect the checks, so they will also be outstanding Tuesday. Put that down. And they will still be uncollected Wednesday, Thursday, Friday and Saturday. Put \$1,000 opposite each one of the days. Have you got it?"

"Yes."

The Lesson Proceeds

"NOW, on Tuesday we deposit another thousand of the same stuff. Put down another \$1,000 to the right of the first one opposite Tuesday, then on down the line to the following Sunday. Yes, you're going to run into another week. Let's see what you have."

Lucifer observed the figures on the paper:

Monday	\$1,000	
Tuesday	1,000	\$1,000
Wednesday	1,000	1,000
Thursday	1,000	1,000
Friday	1,000	1,000
Saturday	1,000	1,000
Sunday		1,000

"Very good. In fact you are doing better than I did this morning when Banker Martin was giving me my lesson. You've got more coming, though, so you'd better rub out those ciphers and use 'M's' for 'thousands.'"

Dan was highly amused at the procedure, but quietly followed instructions.

Banks Call It "Float"

"NOW," proceeded Lucifer, "on Wednesday we deposit another thousand dollars' worth of the six-day stuff. Put it down—\$1 M opposite Wednesday, Thursday, Friday, Saturday, Sunday, and Monday. Oh, by the way, Sunday doesn't count; it takes six business days to collect those checks, so put another thousand opposite Monday in the second column, and run the Wednesday column down including Tuesday. Have you got it?"

"Yes."

"All right now, you ought to be seeing the point. Put down the rest of it. We make a \$1,000 deposit of the same kind of checks each day including Saturday."

The president of the Climax Printing Company stepped over to the water cooler while his secretary and treasurer scribbled down the figures. Returning with the cup in his hand, he took the paper and examined it.

"Just about right," he announced, writing some memoranda of his own across the top.

"Now pay attention:

Outstanding items		Uncollected balance
Mon.	\$1 M	\$1 M
Tue.	1 M \$1 M	2 M
Wed.	1 M 1 M \$1 M	3 M
Thu.	1 M 1 M 1 M \$1 M	4 M
Fri.	1 M 1 M 1 M 1 M \$1 M	5 M
Sat.	1 M 1 M 1 M 1 M 1 M \$1 M	6 M
Sun.	1 M 1 M 1 M 1 M 1 M 1 M	
Mon.	1 M 1 M 1 M 1 M 1 M 1 M	
Tue.	1 M 1 M 1 M 1 M 1 M 1 M	etc.
Wed.	1 M 1 M 1 M 1 M 1 M 1 M	
Thu.	1 M 1 M 1 M 1 M 1 M 1 M	
Fri.	1 M 1 M 1 M 1 M 1 M 1 M	

"Don't you see, Dan, how it pyramids?"

If we deposited a bunch of six-day checks amounting to \$1,000 each business day, after the first six days we would have a constant total of uncollected items amounting to \$6,000. Bankers call it 'float.'

"Now here is the rub, as Hamlet once remarked. We've been depositing a lot of out-of-town checks, and as well a lot of local checks. Some of them are outstanding one day, some two, and some as high as six. We have built up a 'float,' a constant balance of uncollected checks, and it has been averaging more than the ledger balance of our account. So that's where the overdraft comes in. We draw out the money before the bank gets it. And, as a result, it is losing money."

"That's too bad."

"Yes, I felt the same way about it at the time, and I showed my displeasure to Mr. Martin, but I see now he is right. Look here."

Lucifer drew from his pocket a small printed slip with a few figures filled in on blank lines.

"Here is what they call an analysis of our account. Everything is scientific, even to charging us a few cents each for the checks we write:

Average ledger balance.....	\$3,865
Less reserves (12 per cent)....	464

Average "float" balance.....	\$3,401
	4,328

NET OVERDRAFT..... \$927

LOSS at 6 per cent, one month.	\$4.63
396 items at \$0.02 each.....	7.92

TOTAL LOSS FOR MONTH, \$12.55

"So you see, we cost the First National money. To pay the cost of handling our checks and deposits, we would have had to keep an actual balance of somewhere around \$1,800, and instead we had an overdraft."

"What's that reserve business, and what do they mean by item cost?"



Lucifer Smith was surprised to learn that he was "overdrawn" not from writing too many checks but from depositing too many

THE
PRESIDENT
A Big Six Custom Sedan
(for seven)

\$2245

f. o. b. factory, including
4-wheel brakes, disc wheels,
broadcloth or Chase mohair
upholstery and other equip-
ment as listed.

Standard Six Custom Sedan . . \$1385
Big Six Custom Brougham . . \$1985



A SEDAN OF COMMANDING BEAUTY —for men in command of affairs

BIG business speaks to big business through The President—a Studebaker Big Six Custom Sedan inspired with the vision of big business ideals—evoking both admiration for itself and respect for the man who owns it.

Powered with the quiet Studebaker L-head motor, which recently crossed the continent in 86 hours and 20 minutes—and dowered with those custom details of luxury and refinement that place it in the company of costly custom creations!

Resting on a wheelbase of 127 inches, The President reveals the long level lines of a custom body—settling low over disc wheels with four-wheel brake control. Lacquered in rich ebony with a belt of thistle green striped with Siskiyow yellow, or in Croaton green with an

ebony belt delicately striped in ivory. Equipped with a ventilating system (exclusively Studebaker) which insures fresh air without drafts or moisture—and culminating in the silvered figure of Atalanta poised above its radiator to symbolize the futility of pursuit. Yet The President is moderately priced, thanks to Studebaker One-Profit facilities. See The President before you see anybody else.

Equipment: No-draft ventilating windshield, exclusively Studebaker; nickel-plated bumper and bumperettes; Watson Stabilators; engine heat indicator and gasoline gauge on the dash; coincidental lock; oil filter and air purifier; automatic windshield cleaner; double rear-view mirror; vanity case; smoking set; clock; arm rests; toggle grips; dome light automatically turned on when right rear door is opened; traffic signal light; four-wheel brakes; full size balloon tires; and two-beam nickel-plated acorn headlights, controlled from steering wheel.

S T U D E B A K E R

"Why, Dan, I am surprised at your ignorance. Don't you know banks have to keep a reserve with the Federal Reserve Bank and keep some cash lying round the counters to cash checks with. And haven't they got a right to charge up the cost of handling items just the same as we charge our customers at so much an hour for the compositor's time on a printing job?"

"I suppose so, but there are other banks,

I'll bet, that will be glad to take on our account just as she is."

"Maybe so, if they don't know their costs. But for two reasons, we are going to stick to the First National. First, Mr. Martin furnished the firm money before we got so well on our feet. Second, it is operating on an intelligent business basis itself while advising its customers to put in cost-accounting methods and the like. Every bank

doesn't practice what it preaches in that respect.

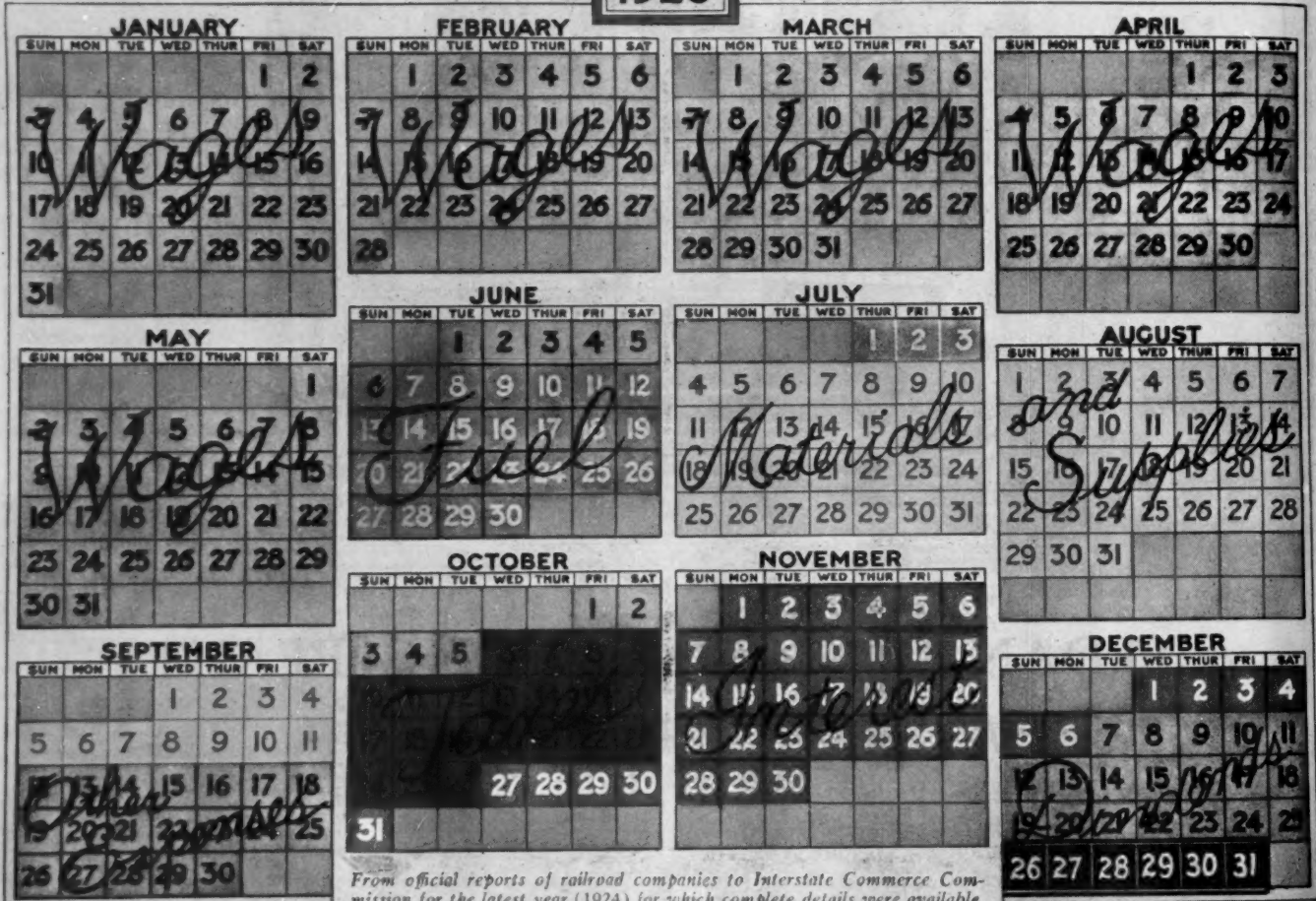
"But you're going to have to carry a bigger balance."

"Sure we will, but why talk about the unpleasant side of it on a sweltering day like this. Let's go get an ice cream soda or something."

"All right, or something," muttered Dan as he reached for his hat.

Where Freight Rates and Passenger Fares Go

1926



From official reports of railroad companies to Interstate Commerce Commission for the latest year (1924) for which complete details were available.

All the cash from all sources taken in during a year by all the railroads is about six billion dollars.

According to the Bureau of Railway Economics, the total railway income for 1924—the last year for which exact figures are available—was \$5,921,490,100.

That's a daily income of \$16,223,260.55.

The calendar above—prepared by the Committee on Public Relations of the Eastern Railroads—is a graphic picture of what becomes of this income—the money paid for transportation service in the United States.

Wages absorb the entire income from January 1 to June 6—157 days.

Fuel requirements take the income from June 7 to July 3—27 days.

The next 70 days' cash—from July 4 to September 11—goes for materials and supplies.

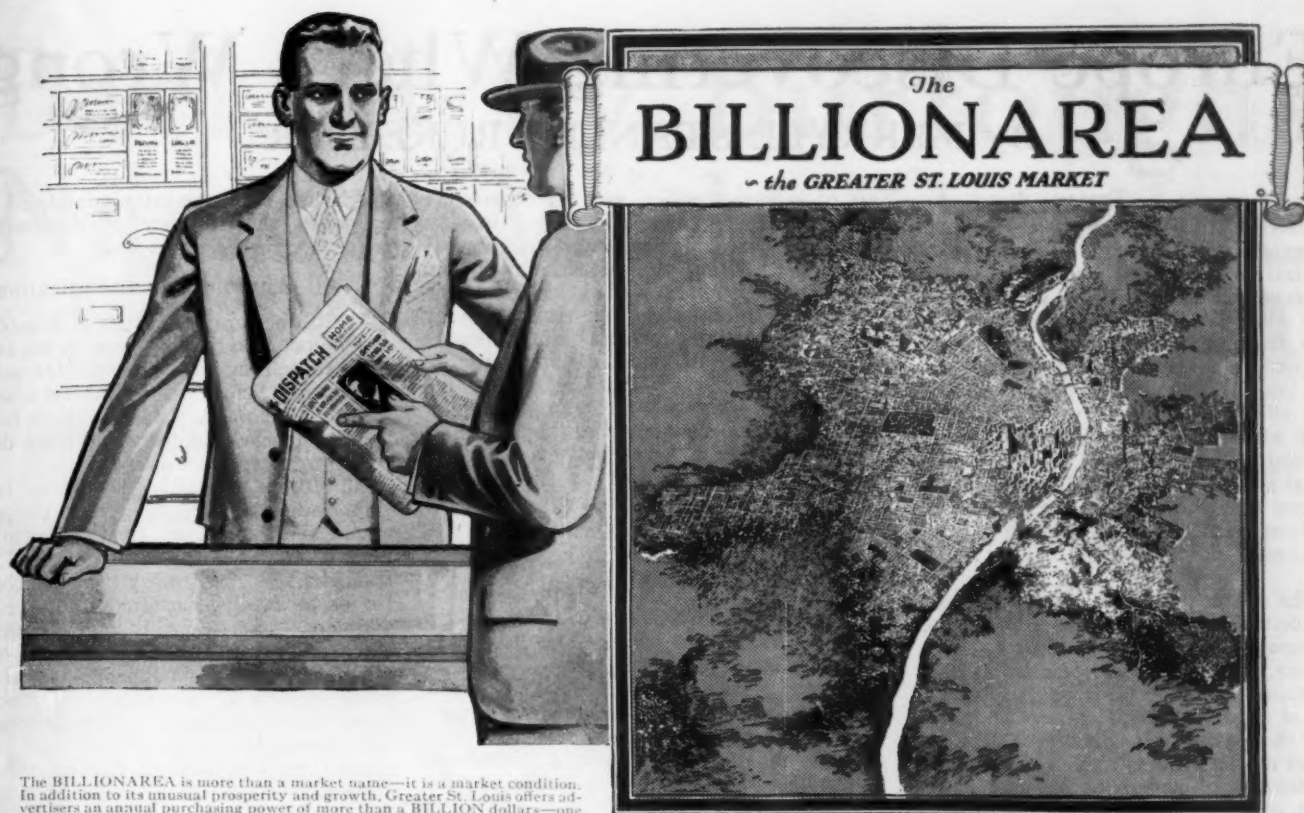
Other expenses of operation absorb the intake from September 12 to October 5—24 days.

Tax collectors preempt the income from October 6 to 26—21 days.

Bond and other security holders get the earnings of the next 41 days—October 27 to December 6—as interest on their investments.

The income of the next 19 days, from December 7 to Christmas, goes to the owners, the stockholders, as dividends—two days' earnings less than the tax collector demands.

That leaves six days' income as the sole portion of the year's intake available to retire losses of previous years, or to create a reserve fund against lean periods in future or to pay for improvements out of current earnings rather than by sale of interest-bearing bonds or securities.



The BILLIONAREA is more than a market name—it is a market condition. In addition to its unusual prosperity and growth, Greater St. Louis offers advertisers an annual purchasing power of more than a BILLION dollars—one of the highest average purchasing powers per family of any city in America.

Newspaper Coverage Controls Distribution!

How your dealer lineup is effected by your P+D+C choice of a newspaper.

ECONOMIC conditions have changed *all* merchants from *sellers* of goods to *distributors* of goods. They know that not even "longer" profits can pay for their time in *pushing* products that have no *pull* with the consumer.

The relation of newspaper coverage to that condition is just this: All the dealer distribution you secure will not maintain or increase your sales volume unless an *effective* coverage of each store's trade is secured through newspaper advertising.

Sales results can be measured in exact proportion to that coverage. That is the importance to you of the *high concentration* of circulation of the St. Louis Post-Dispatch in The Billionarea. Practically every home in the neighborhood of every dealer is a Post-Dispatch home.

The Post-Dispatch reaches nearly 160,000 more

people (40,000 more homes) in The Billionarea than the second newspaper, at no higher cost. It reaches 30% more of the possible trade of each and every store than any other newspaper.

The additional coverage (without additional cost) that the Post-Dispatch gives you in this market is equal in itself to a city of over 160,000 population. Now consider that fact and its effect on greater sales of your product in St. Louis.

Dealers' opinions of the relative value to *them* of advertising in the Post-Dispatch, as compared to other newspapers, is expressed by their *own* advertising expenditures—the Post-Dispatch carried more local store advertising the first six months of this year than all other St. Louis newspapers combined.



The P+D+C rating is the advertiser's micrometer for measuring both market and media. "P" is population, people, families, the number of purchasing units. "D" is dollars, wealth-production or per capita buying power. "C" is circulation concentration or coverage—the ability of a medium to

saturate its market with sufficient circulation to be effective in moving goods in volume. The P+D+C Manual and the Book of Information about The Billionarea; the Greater St. Louis Market, will be mailed free to anyone interested in the advertising of products in this market.

ST. LOUIS POST-DISPATCH

The highest ranking P+D+C newspaper of The BILLIONAREA—the Greater St. Louis Market

When writing to ST. LOUIS POST-DISPATCH please mention Nation's Business

Europe Discovering What's Wrong

By MERRYLE STANLEY RUKEYSER

BERLIN, August 1.

EUROPE in recent months has made progress in diagnosis, if not in the direction of marked recovery.

Its economic clinicians now know what is wrong with the Old World, and efficacious results from proper medicines are perhaps only a question of time. The precise duration of the period of recuperation from the staggering effects of the four years of lunacy, during which the Great War was waged, is a matter of conjecture, yet the great political arrangements, including the Dawes Plan and the Inter-Allied Debt agreements, have been made on the assumption that the road toward normalcy will not be unduly long.

In the matter of economic disabilities, the great destructive forces made little distinctions among victors and vanquished.

France, at this writing, is recapitulating the strange adventures in the fairyland finance of inflation which Germany completed nearly three years ago. In my opinion, the end will not be as disastrous because of certain elements of underlying strength in the French situation, yet at present the French are making many of the same mistakes which the Teutons blundered into before them.

"Heinie" Might Teach "Jacques"

NATIONAL prejudice makes the French loath to go to the Germans for technical advice, but no people is better qualified to give expert testimony concerning the methods of currency inflation than the Germans, who stood placidly by and observed the value of their old standards of value and media of exchange disappear into thin air. The Germans pursued the policy of inflation as long as they could. When finally the old paper mark was so depreciated that peasants and shopkeepers would no longer exchange real merchandise for illusory money, the Teutons stopped the printing presses, and sought more orthodox ways of regulating the supply of funds. The rentenmark was only an intermediate step, and is gradually being retired as the new gold reichsmark, backed by 40 per cent of gold or gold exchange, becomes the chief unit in the new stabilized currency.

There is reason to believe France will act more quickly. There appears to be value behind the French unit of currency, and even the most pessimistic grant that the franc can be stabilized at between 5 and 10 per cent of its mint parity—19.3 cents. To devalue the franc—even at its current exchange value—would involve a momentous political decision, and the kaleidoscopic shift of cabinets during the last year—particularly in recent weeks—expresses the reluctance of politicians frankly to notify the French public that they have lost seven-eighths of the gold value of their franc investments.

Lack of Courage Disastrous

GERMAN politicians lacked the courage to take steps to halt the inflation of the old mark. They allowed the process of wild-cattling to spend itself, and there was a vast redistribution of wealth in Germany. The debtors got off virtually scotfree, and the creditors (including bondholders, hold-

ers of insurance policy, and other contracts expressed in paper marks) were virtually wiped out. Nimble speculators quickly became rich during the breakdown of the old economics, but an overwhelmingly larger number of middle-class folk were bereft of their fortunes—and are today wholly dependent on their own current earning power.

This changed status has for a time reduced the buying power of Europeans, and has also glutted the market for human labor. Young folk and old men and even women, who would normally live on the accumulated capital of the family, are clamoring for jobs, thus increasing the ranks of the unemployed.

Experiences Repeat

THE EXPERIENCES of three years ago in Germany in modified form have been recreated in France. Inflation gives the semblance of great prosperity. As long as the paper mark was readily accepted in barter, Germany was busy and its population was wholly employed. At present, 1,742,567 are unemployed in Germany, according to official estimates, and 1,730,306 have only part-time employment. The situation was even more acute last winter. In recent months, there has been a mild recovery. (Inasmuch as the government pays doles to the unemployed, a long continuance of the depression might seriously impair the execution of the Dawes Plan.)

On the other hand, in France, although the franc crashes toward unprecedented depths, there appear to be jobs for all—if anything a labor shortage. Foreigners are migrating to France to make up the deficiency. French exports have been abnormally stimulated by the fact that in the present inflation French commodity prices are substantially below those of countries whose currency is stabilized on a gold basis. The situation is similar in Belgium, where the Belgian franc, after a year of stabilization, has been sympathetically following the weird antics of the French franc in the exchange markets.

The buying power of the franc is greater in France and Belgium than its gold worth, when translated into foreign countries. As a result, there is an orgy of buying activity in France, with all the outward appearances of a trade boom. The process is in part a flight from the franc by Frenchmen who have lost confidence in the currency. Even in the rural districts, there is a rush to exchange rentes and currency for land, cattle, and other real things. Moreover, contrary to law, there is a wholesale transference of francs into gold deposits in foreign centers.

In these respects, the current inflation boom in France parallels the earlier experiences of Germany and Austria, which for nearly three years have been having the headaches which inevitably follow such an economic debauch. In the flight from a currency, people buy goods irrespective of current wants, and at the end of the inflation find themselves short of money and oversupplied with all kinds of merchandise. Until the surplus on hand in every provident home is worked off, the demand for goods is subnormal and trade is depressed. Moreover, the extraordinary foreign demand,

which low exchange rates stimulated, dries up when the currency is stabilized and prices rise to the world level.

All Anxious for Stabilization

EVEN the former enemies of France, who do not love the fair country, are anxious for stabilization. We are near the point of action and before this article reaches the reader, it is possible that the French Government will have adopted some more definite policy to meet the existing crisis.

All Europe is waiting frantically for the franc to be stabilized, because in the present circumstances France (and Belgium) are underbidding the business men of other countries. By exchanging good merchandise for depreciating paper francs, France is by and large unquestionably able to undersell the rest of Europe, and the effect of this abnormal competition is being felt in every other country of the continent, which depends at all on exports. My conversations with economists, business men, and government experts in France, Germany, Austria, Czecho-Slovakia, Italy, and Switzerland leave no doubt that the purchasing power of gold is at present greater in France than in any other country of Europe. Some Austrians, who have gone to France for the summer, expect to pay the expenses of the trip by taking advantage of the lower cost of living.

Tourist Largess

AMERICAN tourists who have stopped in luxurious Parisian hotels, which cater only to foreigners and which astutely fix their prices in gold, will perhaps find that the foregoing statement does not correspond with their own experiences.

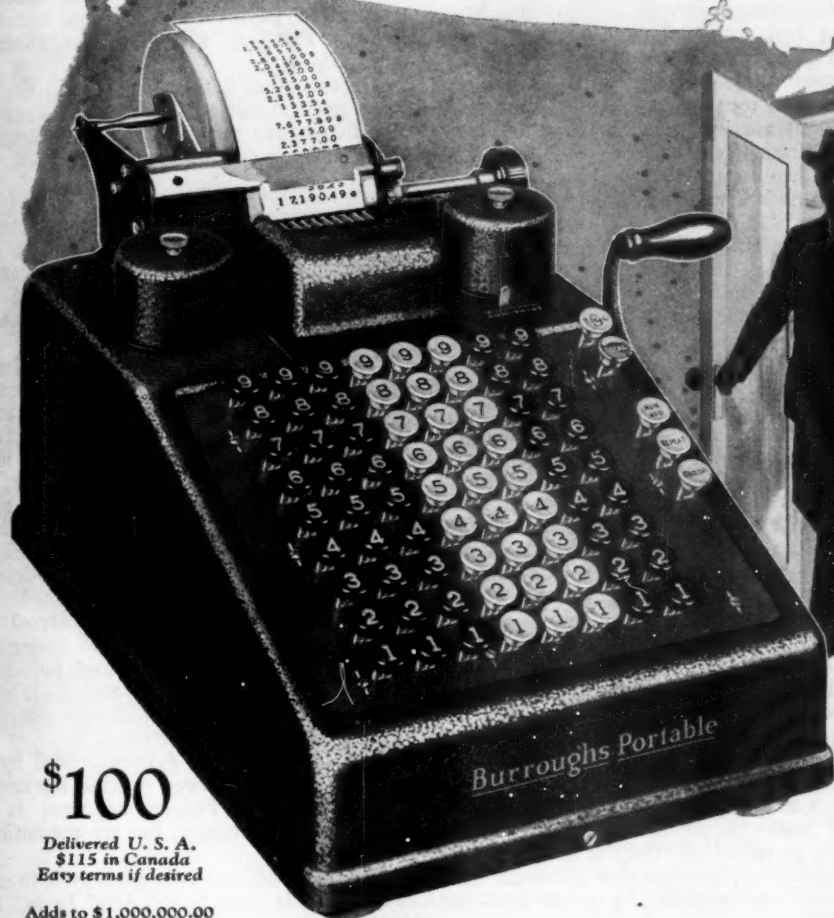
In many places, there are special prices for tourists, but even the exploited foreigner can sense the price situation in the low fares for taxis and street cars. A well-known brand of American candy, which is quoted at \$2 a pound at home, can be bought for ninety cents in Paris.

All of the Latin countries at present lay great stress on the tourist trade. Many of the bargains are real, but others are illusory, when and if duties are paid. There is something amusing in the system of economics of the American woman who shops frantically in Europe in order to take advantage of the low prices. She forgets that her overhead as a tourist is perhaps \$25 a day, and that, when time is considered, it does not pay to shop for spools of thread and other standardized merchandise. The chief opportunities are to select indigenous works of an artistic character, which have values other than purely utilitarian.

Mussolini Neglectful

MOST of the buying by American tourists has been done in France this summer—and for a good reason, in view of the exchange situation. In Italy, the American shopper also finds much that is alluring, particularly in the nature of old and new silks, antique furniture, hangings, shawls, and jewelry. Mussolini feels that it is his task to rid Italy of most of its time honored defects, but apparently he has not yet turned his hand toward the establishment of the

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Delivered U. S. A.
\$115 in Canada
Easy terms if desired

Adds to \$1,000,000.00
One hand control
Standard keyboard
Convenient desk size

Burroughs maintains 1,500 specially trained service men, distributed in 462 centers in the United States and Canada. All are salaried employees of Burroughs, trained by Burroughs and placed by Burroughs where they can best serve Burroughs users.

Burroughs Portable Adding Machine

The new Burroughs Portable Adding Machine has received the most enthusiastic reception ever accorded to a Burroughs product.

Like every Burroughs made, the Portable is backed by Burroughs Mechanical Service.

Each man in this service organization is trained, paid and controlled by the Company itself. Each is placed where he can

best serve Burroughs users. This insures standard factory service for users everywhere.

This service is one of the outstanding reasons why over a million Burroughs Machines have been sold and why more than 35,000 Burroughs Portables are already in use—a sales achievement which smashes all previous records.

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Burroughs Adding Machine of Canada, Limited, Windsor, Ont.—Sales and Service Offices in all Principal Cities of the World.

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one-price system. When the average Italian merchant quotes a price, it is usually a maximum. He also has in mind a minimum, sometimes far below the first quotation, and rock bottom can be determined only by dextrous higgling.

In all free and open markets, such as the great stock and commodity exchanges, there is higgling through the technique of bid and asked prices. There is nothing immoral to the process, which, however, is alien to American business methods. The American idea is that the merchant is in a sense the agent in world markets for his retail customer, who has faith in the integrity of the merchant. The wise buyer gladly allows the seller a profit for his services. The good merchant establishes good will by fair dealing.

Only through the one price system can faith be cultivated to the full extent. After higgling, the buyer is frequently of the opinion that after all he paid more than the article was worth. Higgling may work for one-time sales, but it is destructive of the confidence on which permanent business relationships depend.

Higgling assumes that the buyer is as expert as the seller. The American one-price system is predicated on the idea that the seller is more expert and makes a legitimate trade profit through rendering a service to the buyer.

Finance Minister Optimistic

INCIDENTALLY, the weakness of the lire springs primarily from commercial factors—from an adverse trade balance. Evidently, the efficient Fascist Government intends to use strong arm methods to correct this situation.

Count Giuseppe Volpi di Misurata, Italian Minister of Finance, a competent business man and former governor of a province in Africa, in discussing this situation, recently remarked:

"Intensified work must be accompanied by a reduction in unessential imports, by thrift, by the avoidance of unnecessary expenditure. No one must add to the difficulties of the trade balance, which are serious but which can be overcome in a given time, other difficulties arising out of a preference for foreign made goods which corresponds to no real need, and which is offset by no effort made to replace them. Still graver responsibilities would be incurred by those who would increase luxury expenditures which must be strictly limited. My colleague of the Ministry of National Economy, Sig. Belluzzo, has truly said that Italians who purchased goods abroad which are produced in Italy, and who do not feel it their duty to sacrifice their preference in this matter, are acting against the interests of their country. I would add that the Fascist government intends to face and to solve this problem, as far as possible.

Covering a Trade Deficit

THE Italian trade which until 1925 closed, as we all know, with a deficit, must find compensating factors in the balance of payments, of which the trade balance is but one item. Tourist expenditure, emigrant remittances, the growth of the merchant marine, the investment of foreign capital in our country, and many other items tend to cover the trade deficit; this must continue to be the case and no effort must be spared to secure this end. The enduring soundness of national finance is assured by the soundness and strength of the country."

Shakespeare, who wrote, "neither a bor-

rower nor a lender be," failed to foresee that the modern world of business would be conducted almost exclusively on credit. Yet an American who travels in the debtor countries, and observes how America is attacked for seeking to collect in modified form its just debts, realizes that the Bard of Avon was not wholly without wisdom in financial matters.

The European Notion

THE EUROPEAN notion is that inter-twined debts and reparations are intertwined and cannot be separated. France would like a clause in the American debt agreement making promised payments contingent on reparation receipts from Germany. It succeeded in receiving a "saving clause" from Great Britain.

Italy has concluded debt agreements with both America and Britain, and, although the American pact makes no mention of reparations, the Italian attitude in the matter is disclosed in a recent statement by Count Volpi in the House of Deputies of the Italian Parliament:

"I must remind you that the sinking fund, established for the service of the war debts to the United States and Great Britain, now forms a section of the Deposit and Loan Bank, working under a highly simplified plan of administration. At the end of April, 1926, this fund had received on account of reparations a total of 400 million lire and had provided for the payment of the first instalment due to Great Britain. It is now preparing to repay to the Treasury the instalment paid in advance to the United States.

Allies' Debts and Reparations

"THIS new fund gives effect to the compensatory relationship existing between reparations and war debts, which thus do not figure as an item in the national budget. The point of view implied in this relationship was announced by Senator Smoot in the United States Senate in words which I take pleasure in repeating, 'Only if Italy receives the reparation payments due her from Germany will she be able to pay her own war debts!'"

Many of the European countries, particularly Italy and Germany, find restricted immigration in the United States, Canada, and Australia irksome. The Italian population increases by 400,000 a year, and in Germany there is also a surplus of 400,000 births over deaths each year.

In Germany, defeat in the war heightened the present unemployment problem. Officials of the Foreign Office in Berlin informed me that after the war 2,500,000 Germans moved into the new Germany from the lost provinces, particularly from those eastern districts which were ceded to Poland.

Moreover, the working population—those between fifteen and sixty—at present constitutes 63 per cent of the total population, whereas before the war—in 1913—it comprised only 57 per cent of the total population.

And this strange development, in spite of the death during the war of between 2,000,000 and 3,000,000 men of productive ages! The explanation is that between 1900 and 1910, the German population was extraordinarily prolific, with annual gains in population of from 700,000 to 800,000 a year.

The children born during that period are now of course more than fifteen. On the other hand, the proportion under fifteen is abnormally small, because during the war

years there was either no surplus or not more than 100,000.

Furthermore, in 1913, Germany had an army and navy composed of 860,000 men—now only 100,000 are under arms. Thus 760,000 have been released for the labor market.

Moreover, on account of hard times, children are starting to work younger and men are working longer than before the war.

If this unemployment situation is corrected before 1928 when the maximum reparation payments will begin under the Dawes Plan, it will have no effect on reparations.

On the other hand, an expert in the German government expressed confidence that for five to ten years Germany is certain to have at least one million unemployed.

Economic Fatalism

IN CONTRADICTION to the American spirit of enterprise, there has been since the war an undue amount of economic fatalism in Europe. Statesmen and business men are inclined to yield to inexorable forces.

To the credit of Dr. P. Reinhold, German Minister of Finance, he is not disposed to remain passive in the face of the huge armies of unemployed, who are collecting doles amounting to 1,300,000,000 gold marks (23.8 cents) a year in the aggregate. He conceived an elaborate program of public works, which will employ one-fourth of those without work. At the same time, important improvements, which were deferred during the war, will be accomplished. The plan will be financed by an internal loan floated by the government, in cooperation with the national railways and postal systems. The new program will include the development of public highways and railroad building and betterment.

The idea has been fully accepted by the Cabinet, and is believed to have the support of all parties. Formal approval in the Reichstag is necessary, but no opposition is expected.

The plan will not only give work to many who are idle, but should tend to act as a tonic on business generally.

The German unemployment situation is not only caused by an increased supply of labor, but also by a shrunken demand. In 1925, exports were only a little more than half the 1913 volume.

Germany Recovering

IN SPITE of continuing difficulties in Germany, the significant fact is the tendency toward recovery.

As S. Parker Gilbert, agent general for reparation payments, pointed out in his latest report: "Through the entire period (of Dawes Plan operation) Germany has kept financially sound, and some tendency toward recovery is now beginning to appear."

A survey of conditions in Austria, which was almost turned into an international poor-house by the terms of the peace, shows somewhat similar tendencies. Both Germanic countries have balanced their budget for nearly three years. As a result of the fulfillment of specified conditions, the League of Nations on July 1 withdrew Dr. Zimmerman, the Dutch expert, from Vienna, and turned over the management of the financial affairs of the country to Austrians, although a representative of the League still supervises the collection of customs and revenues from the tobacco monopoly, against which interest on the international loan constitutes a prior lien.



Brink's Fleet carries thirty million dollars a day

HERE are the most exciting cargoes in the world—money, money, and still more money. Wealth like that of all the Indies rides in the armored Internationals of Brink's Express. Did you ever think of the tremendous and dangerous hauling problem presented by money in the mass?

That is the problem that Brink's Express has been solving for more than a quarter-century. In New York and Chicago and a score of other metropolitan cities, Brink's Express transports the coin and currency of commerce and industry. Last year the trucks in Brink's formidable fleet, closely followed by expert rifle squads in automobiles, delivered over five

million pay envelopes. In twelve months they carried over seven billion dollars, in cash, and over forty billions more in bank clearings, securities, and other valuables. Today they are the oldest and largest in the business.

And for the transportation of all this money they need the most dependable trucks that money can buy. They choose Internationals. To date Brink's Express has purchased 176 International Trucks—75 of them since the first of this year.

International Trucks will serve your hauling needs as faithfully as they are serving Brink's Express and as they have served the nation for over twenty years.

The bodies of these trucks are made of two thicknesses of bullet-proof steel and the wind shields of many of them are made of bullet-proof glass. Each truck contains a steel chest bolted to the floor and each is trailed by a rifle squad in another car.

Excerpt from Recent Letter:

"We doubt that it is necessary for us to tell you what we think of International Trucks. Our valuable cargoes amounting to nearly fifty billions of dollars in actual worth every year require the most dependable transportation on the market. We expect that kind of equipment from the Harvester Company and we are not disappointed."

(Signed)
BRINK'S EXPRESS
COMPANY

The International line includes the Special Delivery, 1-ton and 1½-ton Speed Trucks, Heavy-Duty Trucks ranging from 1½-ton to 5-ton sizes, Motor Coaches for all requirements, and the McCormick-Deering Industrial Tractor. Served by the world's largest Company-owned truck service organization—120 branches in the United States and 17 in Canada. Write for complete descriptive literature.

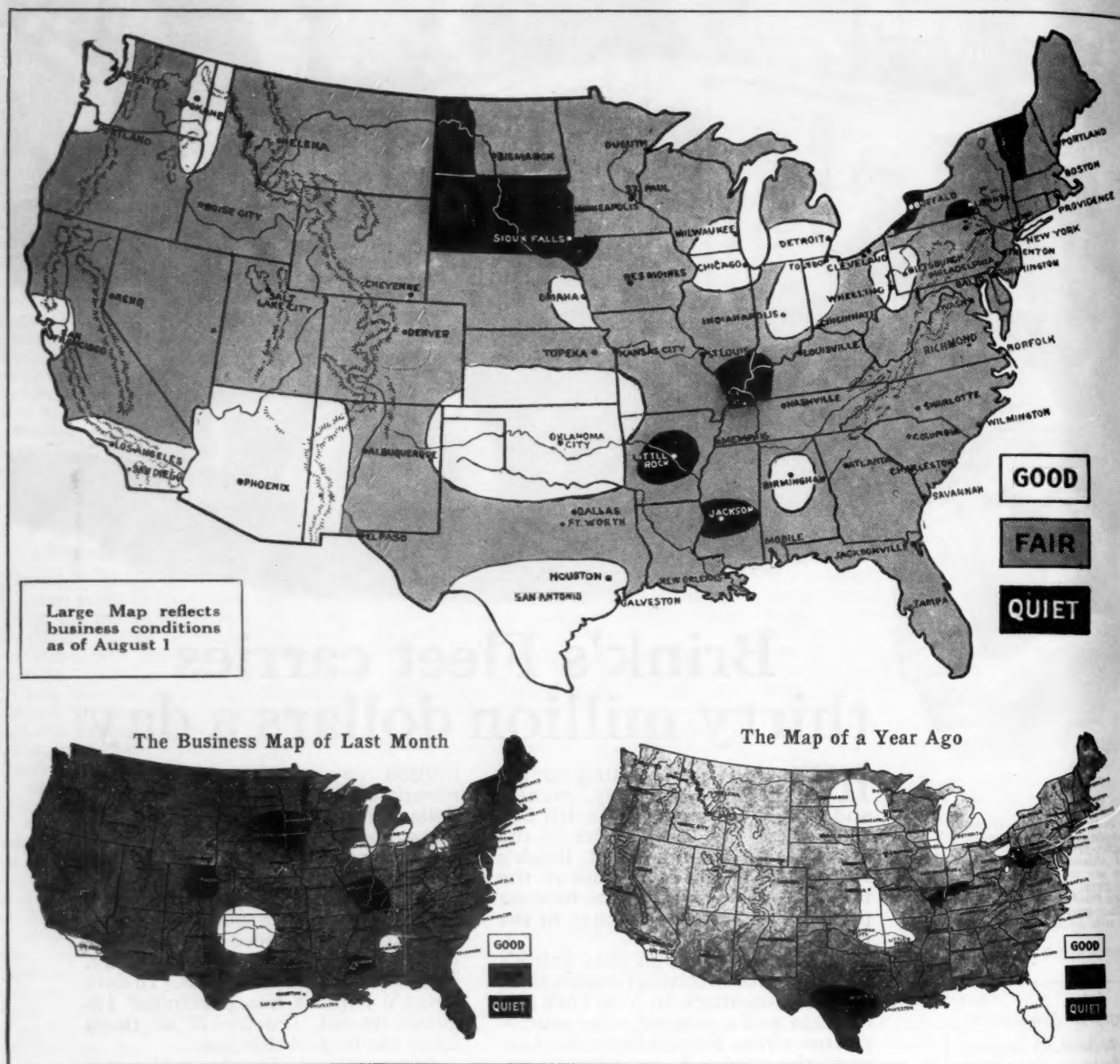
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The Map of the Nation's Business



By FRANK GREENE

Managing Editor, "Bradstreet's"

WHILE some slackening in activities was visible in July, due to seasonal conditions, that month hardly lived up to its traditional reputation as a mid-summer period.

The variety of its happenings certainly made it far from a dull month. It witnessed a marking up of stock prices too close to the record levels of last winter (these latter averages were in fact exceeded early in August); a notable revival in buying of cotton goods after a year-long sag in prices of raw and manufactured materials; an apparent rally from the mid-year drop in automobile production; a very heavy move-

ment of winter wheat to market, this being largely influential in producing a new set of high record summer loadings of cars; with sustained buying of steel and reported increasing of steel mill capacities at a time when slow-downs are usual.

Really encouraging efforts were also made to improve Belgian and French currencies; there was a slight hardening of money rates accompanying and perhaps explaining, the easing in bonds; and a marked expansion in coal exports to Great Britain, this tending to keep up production in that basic industry.

On the reverse side of the picture was a slowing down of new building permits, a

slight sag in bank clearings from June though a gain over a year ago was maintained; unfavorable weather spotting crop conditions; Georgia and Florida had a number of bank closings early in the month of July which made for temporary tightness in money in that area; and another slight decline was registered in wholesale commodity prices, the eighth successive monthly happening of this sort.

On balance the trade and industrial situation seemed to show the continuance of the better feeling that manifested itself when warm weather appeared in the late spring but there likewise continued to be reports



His Face Carries a Debit!

PHYSICAL erosion is etched into the face of the unskilled laborer—it is also written as a debit on his employer's ledger. He spends human effort recklessly, needlessly. Wastes his manhood and life moving things from place to place. *There is a better way.*

Material handling is a hidden cost. Often negligible as to the particular unit but staggering in the aggregate. The "Clark Theory of Labor Economy" shows the way out to better things. The coupon will bring you the booklet free.



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that a good part of the trade expansion shown as compared with a year ago sought different channels than in earlier years or that competition was so keen that profits aside from favored lines were greatly reduced. In other words business was concededly larger in volume but profits had not grown in proportion.

Among the big features of the past month, the rise in the stock market to and above the previous high points of the year, touched by rails in January and by industrials in February, undoubtedly had an effect on sentiment in June and July, which, helped by the appearance of delayed buying of wearing apparel and other things in late May, early June, and, for light wear apparel, in July, did much to bring business out of the apparent slump of spring. It needs to be recalled that the activity in two industrial stocks, Steel and Motors and the large volume of car loadings and railroad earnings were outstanding bullish points in the market for stocks.

Explanation of the activity in pushing General Motors up was found later in the report of six months net earnings which fell only about \$5,000,000 short of equalling the net earnings for the entire year 1925. The record output and sales of automobiles largely explained this but a big gain in refrigerators was also noted.

Bonds Dull

THE Steel Corporation report showed what a big volume of sales at even moderate prices could do for that concern's net returns.

The dullness in bonds was in contrast with the activity in some branches of the stock market, July dealings being the smallest in nearly three years. For this a slight stiffening of money rates was held mainly responsible but relatively small offerings of bonds were also advanced as a reason. Perhaps, too, a disposition to become a partner rather than a creditor, indicated by active purchase of stocks rather than of bonds, was a moving element.

It is safe to say that if gains in ordinary retail trade and in jobbing business were as large as in mail order and chain store trade, the country's business map would be brighter. Mail order sales in July were 14.6 per cent ahead of July a year ago, chain store sales were 19.1 per cent ahead and the two combined were 17 per cent above those for the like month of 1925. For seven months of the year mail order sales were

11 per cent, chain store sales 15 per cent and combined mail and chain store sales 13.2 per cent larger than a year ago.

Set against this the Federal Reserve Bank report that combined sales of 660 depart-

ment stores for six months were only 3.5 per cent larger than a year ago, and it may be inferred that quite some distances intervene between the percentages of gain in sales of the first named stores and the department stores and the smaller retailers.

If agitation for lower rates on rail carriers should not occur this fall, it will not be for lack of attractive returns published by the carriers themselves. Car loadings

for June gained 3.7 per cent over a year ago and the increase from January to the end of July was 3.2 per cent. This former gain was translated into an increase of 6.4 per cent in gross receipts and of 16.5 per cent in net operating income over June a year ago while for six months the gross receipts were 4.5 per cent and the net operating income was 12.6 per cent over 1925.

The commodity price situation loses nothing in interest as the fall trade season gets under way. In every month since and including December the price indexes have gone lower but the declines in recent months have been slow seepages rather than acute declines.

In July the decrease was only about three-quarters of 1 per cent which was next to the smallest of the year.

Cotton's Rally

THE provisions group went down while nine groups advanced these led by metals, textiles and hides. It may be said that high-priced hogs earlier in the year supported the provisions group but these useful farm products are now at the lowest of the year. The strength in textiles was partly due to a rally in raw cotton and cotton goods after nearly a full year of weakness, led by raw cotton, which felt the weight of a 16,000,000 bale crop in 1925 and fell nearly 25 per cent in price from the year before.

Nonferrous metals, copper, lead, zinc and tin, were the chief elements of aggressive strength in the metals group because iron and steel were either steady or slightly lower than in the preceding month.

Building permit values fell 10.3 per cent below those of June and 13.0 per cent below those of July a year ago.

The crop season is yet not clearly defined, mainly because corn and cotton are very late and in the case of corn, the condition is irregular, grading all the way from good to bad in different areas. Cotton yields are doubtful but a crop of about 500,000 bales below 1925 is indicated.

Winter wheat estimates are now up to about 620,000,000 bushels as against 398,000,000 bushels last year but spring wheat is only about 200,000,000 bushels, a shortage of 70,000,000 bushels from last year with a total wheat crop of about 818,000,000 bushels indicated or about 150,000,000 bushels above 1925. Corn estimates are for 2,600,000,000 bushels and oats have been placed at 1,295,000,000 bushels.

BUSINESS INDICATORS

Latest month and the average month to date for 1926 and the average month for the years 1925 and 1924 compared with the average month for the year 1923
Average Month, 1923=100%

	Latest Month 1926	Average Month to Date 1926	Average Month 1925	Average Month 1924
Production				
Pig Iron.....	97	99	91	78
Steel Ingots.....	104	112	102	85
Copper (Mine Output, U.S.)....	115	117	114	107
Zinc.....	109	120	111	101
Coal (Bituminous).....	92	94	93	86
Petroleum.....	101	98	103	97
Electrical Energy.....	127	127	118	90
Cotton Consumption.....	95	104	99	85
Automobile Production.....	118	120	106	89
Rubber Tires.....	133	135	134	114
Cement—Portland.....	147	104	117	109
Construction				
Contracts Awarded (36 States) Dollars.....	151	150	146	112
Contracts Awarded (36 States) Sq. Ft.....	115	125	131	103
Labor				
Factory Employment (U. S.)....	92	93	92	91
Factory Payroll (U. S.).....	96	97	95	92
Wages—Per Capita (N. Y.)....	106	106	104	102
Cost of Living.....	104	105	104	101
Transportation				
Operating Revenues.....	102	95	97	94
Net Operating Income.....	131	101	116	100
Freight Car Loadings.....	113	102	103	98
Net Ton Miles.....	104	99	100	94
Trade—Domestic				
Mail Order House Sales.....	107	121	123	107
Department Store Sales.....	105	101	106	101
Wholesale Trade.....	101	98	101	99
Chain Stores.....	122	117	127	112
Trade—Foreign				
Exports.....	97	106	118	110
Imports.....	107	122	111	95
Finance				
Debits—N. Y. City.....	137	144	131	111
Debits—Outside.....	120	119	114	102
Failures—Number.....	103	120	113	110
Failures—Liabilities.....	66	76	82	101
Stock Prices—20 Industrials....	165	158	142	105
Stock Prices—20 Railroads.....	139	133	122	105
Shares Traded In.....	190	190	196	119
Bond Prices—40 Bonds.....	110	110	107	103
Bond Sales.....	105	116	124	137
New Securities Issued.....	90	128	101	89
Interest Rates—4-6 mos. Com- mercial Paper.....	79	83	81	78
Wholesale Prices				
U. S. Bureau of Labor Statistics	99	99	103	97
Bradstreet's.....	95	98	104	97
Dun's.....	97	100	104	100
Fisher's.....	95	97	101	94

Prepared for NATION'S BUSINESS by Statistical Department, Western Electric Company, Inc.

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Washington and Business

By WILLARD M. KIPLINGER

WASHINGTON has not been on summer vacation. Some officials may go to mountains or seashore but the wheels of the Government grind on, turning out regulations, policies, programs and schedules which touch directly upon business. Congress may adjourn, but the administrative branches remain at work to apply the new laws and to prepare the way for laws which will be enacted next winter.

An odd thing about the Government in summer is that it does more important work with less public attention than at any other time of year. The absence of Congress leaves the departments and bureaus free to go full speed ahead on their programs for the new fiscal year, which started July 1, and to lay the groundwork for policies which do not ordinarily receive wide public attention until general announcements are made in the fall.

Never before has there been as much definite interest in the European economic and business situation as in Washington at this particular time, not even excepting the war time, or the League of Nations controversy or the Dawes plan period or the more recent World Court fight. The interest is anything but sentimental. It has to do primarily with ways and means of helping Europe to get back on its business legs. It is evident in conversations between officials and "leading citizens," Washington visitors, government workers and the host of observation agents of business groups which maintain headquarters in Washington. It is heard on the street, in the offices and clubs wherever men meet. It is the most significant development of these particular months.

With all important war debts except that of France embodied in definite contracts, but with actual payment begun only on a small scale, the inevitable haggling has started. Secretary Mellon took an occasion to explain how lenient had been our debt settlements and how it was not to the interest of either creditor or debtor nations to cancel the debts. That set off Winston Churchill, head of the British Treasury, and other spokesmen in the British Parliament, in philippics against the "harshness" of the United States Government in requiring the debtor governments to pay even the adjusted portions of their war borrowings. Some American summer tourists were insulted in France and the incidents were widely reported in the American press. President Coolidge advised calmness. American advocates of cancellation burst into print, and there was quite a din.

The effect on Washington has been to cause reaction of some minds which formerly dallied with the idea of either cancellation or further downward adjustment of the war debts, and to solidify opposition in Congress to the "lenient" debt settlements already made. American indignation will be voiced freely after Congress convenes again in December, and will be directed against France, Great Britain and Italy, in that

order. It will be said with emphasis, "Now the cat is out of the bag: Europe intends to resist ultimate payment of the debts."

The row will focus on the French debt, but other nations will be dragged in. European complaints against "Uncle Shylock" are certainly ill-advised at this time from the standpoint of European interest, if from no other. If there is to be any future readjustment of debts, it will not come by these tactics.

American exports of goods in the year ending with June 30, 1926, in terms of value, were \$4,753,000,000, which is \$111,000,000 less than the \$4,864,000,000 of the previous year. Imports were \$4,466,000,000, which is \$642,000,000 more than the \$3,824,000,000 in the previous year.

Foreign Trade

The so-called favorable balance of trade, the excess of exports over imports, was \$287,000,000, as compared with the tremendous favorable balance of \$1,040,000,000 the previous year. In 1923-1924 the balance of exports was \$757,000,000; in 1922-23 it was \$175,000,000, and in 1921-22 it was \$163,000,000.

Secretary Hoover says the main reason for decrease in exports was that there was less grain and cotton for export, and cotton prices were lower. The increase in imports was due largely to greater quantities of raw materials required, and higher prices, especially of rubber. On finished manufactures, which are ordinarily construed as a better index of prosperity than raw materials, the exports went up an average of 15 per cent, and exports of machinery, automobiles, etc., as a group, went up nearly 30 per cent.

There seems to be nothing wrong with our foreign trade, on the basis of last year.

Secretary Mellon points out, however, that the future will depend to great extent on economic stabilization of Europe, and that this will involve American loans to Europe.

German industry and trade are adopting many American methods of mass production and efficiency, and "Americanization" has become a social issue, "Americanization" with conservatives arguing against acceptance of the rush

and bustle of Americanism. There is much advocacy of the American consular system as a model. Even German housewives are talking of adopting some of the domestic systems of American women. British industry is also learning some production methods from the United States, but there is little talk of the American origin of these methods.

Only three small nations have accepted the American conditions for entrance into the World Court. The important member nations will take up this fall the question of whether membership of the American government with specified reservations is acceptable to them.

World Court

Most reports to Washington indicate that American trade has a firm hold in Latin America, and great expansion is looked for in the future. American investments are turning over and more to Latin America.

Latin America

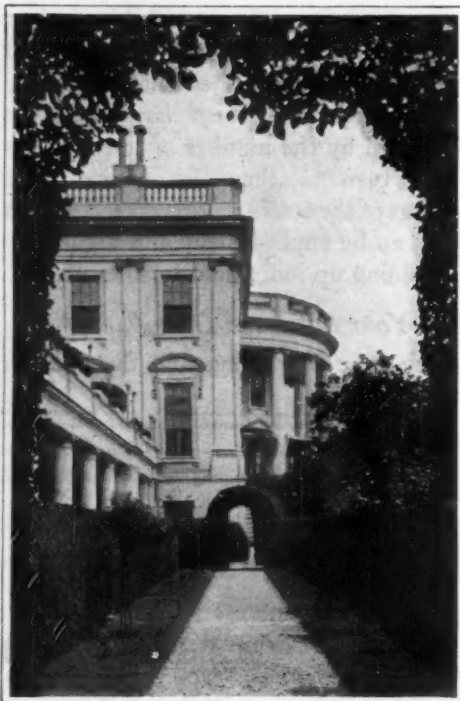
The proposed plebiscite in Tacna-Arica under American auspices has been abandoned on the grounds that it would have been a farce and would not have settled the issue; now efforts are being made to facilitate a direct compromise between the governments of Chile and Peru. This undoubtedly is a step toward repairing American prestige in South America which suffered from the plebiscite policy. Spain is making systematic efforts to cultivate trade relations in Latin America.

There now appears little doubt that the tariff issue will break strongly in the next session of Congress. Democrats are organizing their forces for an attack on the present tariff, and the agricultural problem

Tariff

will be injected into the fight. Republicans plan not merely to defend, but to "point with pride" to the present law, giving it much credit for past prosperity. Another influence will be the feeling on the part of many conservatives that tariff should be lowered to permit inflow of more European goods if we are to insist on payment of debts in cash. It is quite unlikely that any final action will be taken at the coming session; it will hang over until the long session of 1928.

The Tariff Commission has a new member, S. J. Lowell, a "dirt farmer." There are indications that the Commission will function more rapidly on flexible tariff cases in the future. Two commissioners have gone to Europe to try to compose



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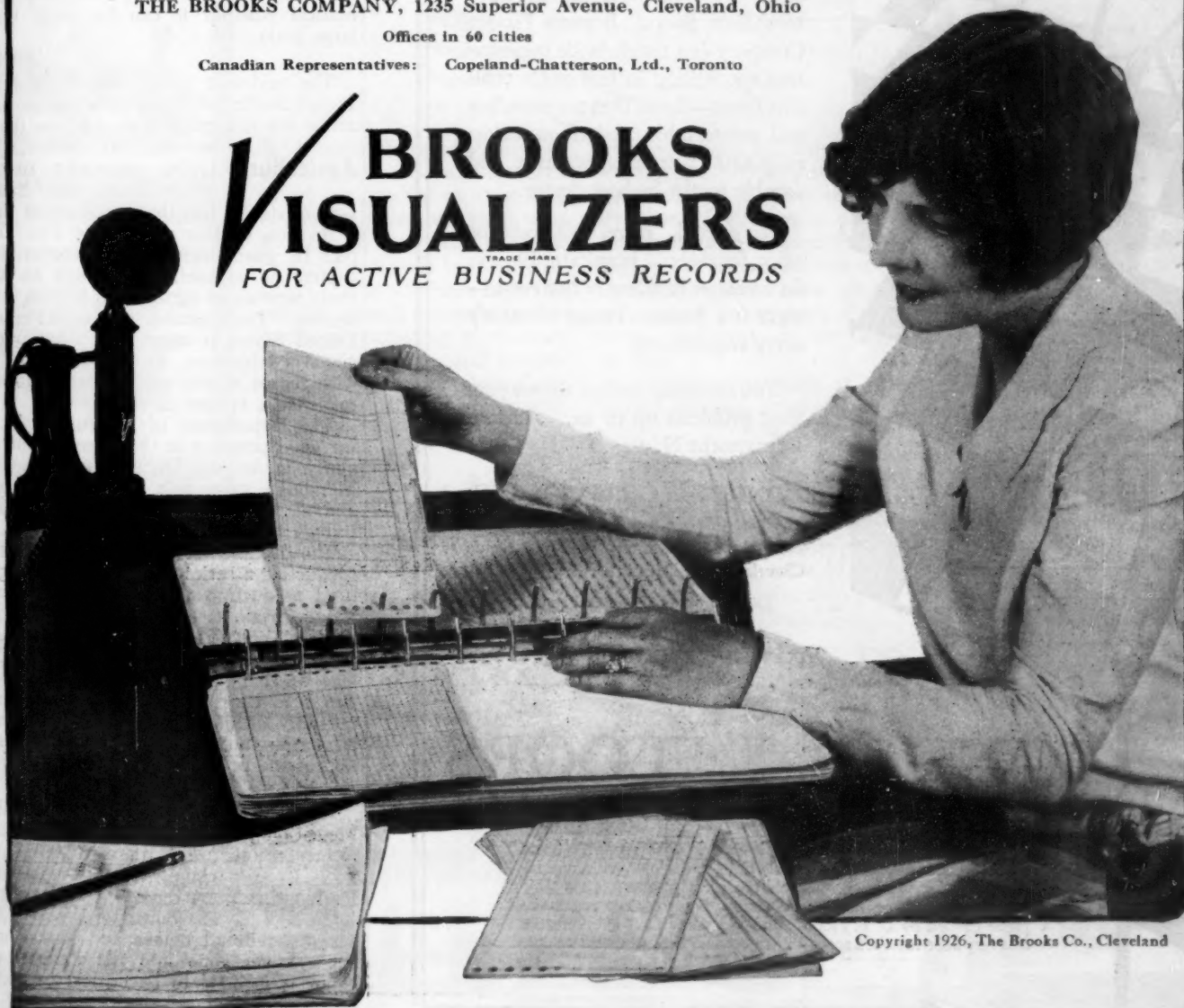
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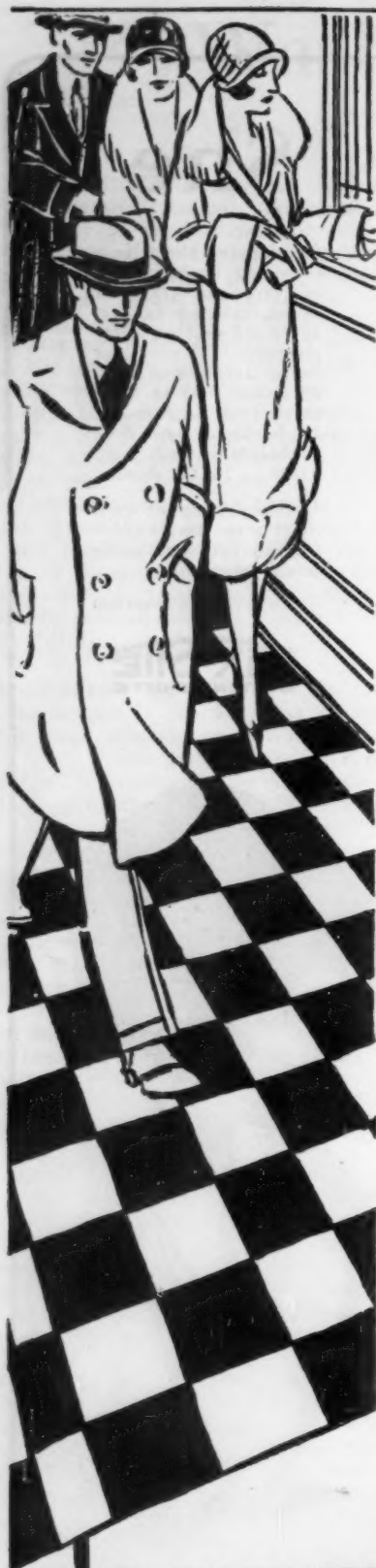
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European complaints against the operations of our flexible tariff.

The tax collecting system is working smoothly under the new law. Revised income tax regulations have been prepared, remedying some of the inequities which always are found in a new law. The Board of Tax Appeals, which stands as an appellate body between the Treasury and the federal courts, and before which both the Treasury and the taxpayer may appear in contested tax cases, will turn out many precedent-making decisions within the next few months. Criticism of the Board by taxpayers has been on the ground that 11 of its 16 members were formerly employed in the Revenue Bureau, and that consequently it is "Treasury minded." This criticism is not substantiated by examination of the trend of decisions, a substantial proportion of which are against the Treasury contentions. The Joint Committee on Internal Revenue, consisting of members of the Senate and House, has organized and will receive recommendations for changes in law and administrative provisions at hearings in November. The Treasury has drawn in a legislative specialist, Ellsworth C. Alvord, Jr., to organize liaison between the Treasury and Congress on tax matters.

There is still much talk of another tax reduction next year, but it is very problematical whether it can be made on any large scale.

The mid-west group supporting the defeated McNary-Haugen plan for an equalization fee is organizing to continue the fight in the next session. It is trying especially to enlist votes from the Southern cotton states for the equalization fee or a revision of this plan. The Fess-Tincher plan for government loans to cooperatives is gaining no support. There will be an entirely new set of agricultural bills in the next session. The Chamber of Commerce of the United States is organizing a series of regional conferences, to determine the facts with regard to the agricultural position and to define a system of remedies.

The Department of Agriculture is making good progress in the organization of its newly authorized Division of Cooperative Marketing, using as a nucleus the personnel and activities of a former section in the Bureau of Agricultural Economics. The Department of Agriculture is also conducting a series of studies of the agricultural production and distribution situations about certain cities, such as New Orleans, Altoona and Lancaster, Pa., Charleston, W. Va., Richmond, Ind., and others. Chambers of commerce are cooperating and the aim is to effect certain changes in the production schedules of farm lands in the local areas, and to encourage local consumption of the products of near-by farms.

The newly created Board of Railroad Mediation headed by Samuel E. Winslow, former member of Congress from Massachusetts, has organized under the railroad labor act and has taken up a few disputes between railroad unions and managements, but not yet gone into the difficult cases. Labor is inclined to be critical of some of the personnel of the new Board, and there is trouble ahead.

The Interstate Commerce Commission has

Railroads

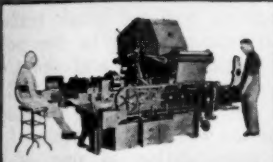
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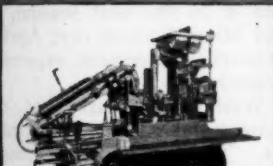
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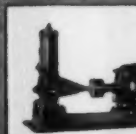
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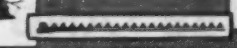
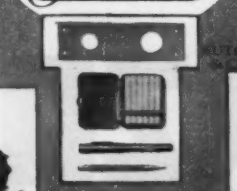
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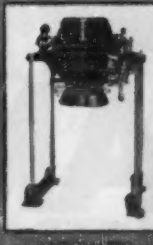
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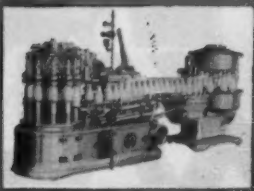
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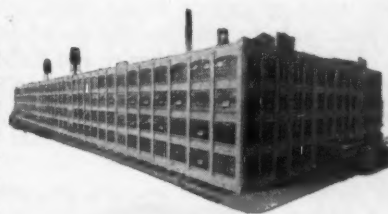
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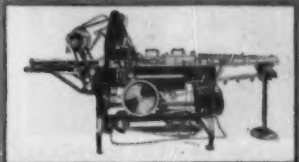
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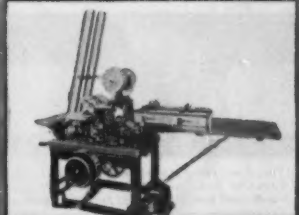
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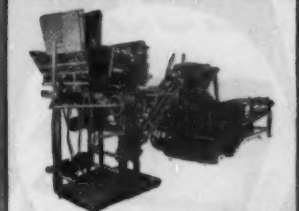
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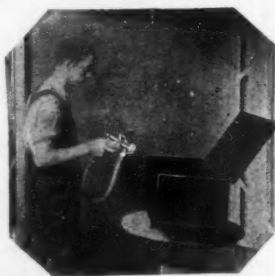
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applications for two important railroad unification projects, the new Lorce group, of roads in the southwest, and the revised Nickel Plate plan, both of which will establish precedents. Meanwhile there is developing a feeling that the railroad consolidation bill may not get final action at the next session. The Interstate Commerce Commission rejected the application of western railroads for a general rate increase and established the policy that increases in rates on agricultural products should be avoided by railroads. One effect of this western rate decision will be to improve the chances of passage of the railroad interest bill at the next session. The Commission also has encouraged, but not required, the practice of offering equipment trust certificates for sale to the highest bidder, instead of the prevailing practice of marketing them through the railroad's favorite bank syndicate.

The Interstate Commerce Commission is holding hearings on bus and truck traffic—its relations to railroads and to the public requirements, and the Commission's conclusions will afford guidance for consideration of the pending bill for regulation of the traffic. This investigation is one of the most important governmental activities of the present.

Motors

There appears to be slight movement within the coal industry and trade to look with favor on the Hoover program for government collection of facts on the fuel industry.

Coal

It is coming to be said that these facts will benefit the coal men themselves in gauging markets. On the whole, however, the coal industry has not accepted the idea of such legislation and intends to fight it in the next session. A strike of United Mine Workers next April 1, when the Jacksonville agreement expires, is generally anticipated.

Meanwhile Washington hears that new unions are taking members from the United Mine Workers. There is much discussion among coal operators of the desirability of amending the anti-trust laws to permit more latitude in the forming of combinations, and in the exchange of production and marketing information, as a means of stabilizing the industry. There seems little chance of any trust law amendment at the next session.

Government regulation and encouragement of commercial aviation has been started within the Department of Commerce as provided by the new civil

Aviation

aviation law, and there will be important developments within the next few months. Cities will be encouraged to make plans for ample local air ports.

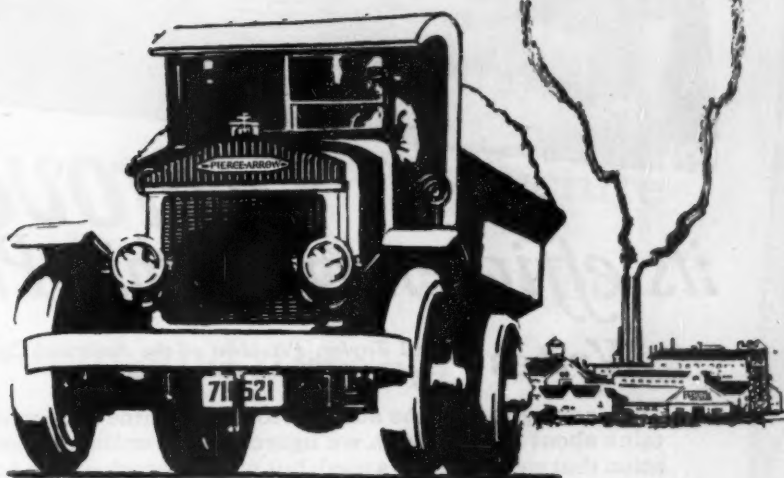
Despite the failure of the radio bill, and the lack of specific authority for regulation by the Government, broadcasters generally have "behaved themselves";

Radio

only a few cases of the pirating of wave lengths have been reported. The radio bill will pass at the next session. The Radio Corporation of America has strengthened its already strong broadcasting arrangements through purchase of stations formerly owned by the American Telephone and Telegraph Co., and

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this will be the subject of discussion in the next Congress in connection with the radio bill.

The membership of the Federal Trade Commission will be materially changed in the near future, through appointments to fill vacancies caused by resignation or expiration of terms. There will be less dissension within the commission, but its actions will remain a subject of active controversy within the business world. A series of actions against resale price maintenance practices have been instituted this summer.

National banks are perfecting their organization for support of the McFadden branch banking bill at the next session, and the subject will be under active discussion at the American Bankers Association Convention at Los Angeles early in October.

Washington records show that many national banks are planning to give up their national charters and convert into state banks because they have more liberties in the state systems, and they are doubtful of the prospects of passage of the McFadden bill which liberalizes these privileges.

Recharter of federal reserve banks at the next session remains a subject of hope, but there is really no assurance so far that it will be done. Failure of a chain of state banks in Georgia provided the nation with its most spectacular mess of precipitate failures in 20 years, but the effect was not nationally serious.

The Farm Loan Board has a new head, A. C. Williams, appointed to tighten up on many administrative policies within the farm loan system.

Origin and Function of Associations

A BRICK may be thrown at a man or it may be used as a part of a building. The test of an activity is the use made of it. This explains why there has been so much confusion as to the legality of trade associations.

Mr. F. Stuart Fitzpatrick of the Organization Service of the National Chamber, an expert in trade association organization and activities, makes this point in outlining the history of trade associations and the forces that brought them into existence.

The economic organization of society had changed slowly up to the eleventh century, but it had changed greatly. Trade was distinctly organized. The feudal state was established. Towns were being formed. Artisans were engaged in specialized manufacture, and charters wrung by opulent burghesses from reluctant but impecunious kings had more or less firmly established certain privileges for the merchant classes.

Government Hampered Business

MEDIEVAL organization was based on a non-competitive economy. Prices, quality, grade and wages were all fixed by custom and supported by law. Forestalling, regrating, and engrossing, all forms of cornering the market, were cardinal offenses against medieval trade. Status—not contract, custom—not competition, were underlying principles of medieval economy.

This medieval economic theory still dominated business thought in the sixteenth century when foreign trade was developed on

a large scale. So great monopolistic companies, like the Muscovy, Baltic, East India, Virginia and Plymouth, were formed only to be broken by the opportunities for individual enterprise and initiative.

The industrial revolution brought about distinct change in economic thought, and the doctrines then formulated still are part and parcel of everyone's understanding of economic law.

John Hilton, who wrote a study of the origins of English trade associations, outlines these conceptions:

According to these doctrines, evolved in the course of the industrial revolution, supplies, prices, profits and wages could safely be left to adjust themselves. Leave the business world to its own devices, and competition would ensure that all was for the best. Competition would harmonize supplies and requirements; would lead to the survival of the most efficient business concerns; would ensure that the level of wages, prices and profits in any trade or industry would always be "just about right."

Business Can Rule Itself

REASONING by this economic logic was simple. If demand exceeds supply, prices rise. A high price means a larger profit which attracts new capital. Supplies increase and prices go down. This price decline weeds out the incompetent and so the general level of efficiency is raised throughout the industry.

Mr. Fitzpatrick outlines thus the causes of these changes:

The economic forces which destroyed the guilds and created the monopolistic trading companies, and then in turn destroyed the trading companies, namely, widening markets, capitalism, and invention in manufactures, were the same forces which eventually gave rise to an industrial and social environment which made possible the organization in the latter part of the nineteenth century of the present-day trade association. . . .

Individualism is the principle which released the creative forces which wrote the history of the nineteenth century . . .

Firms lured by the theoretical possibilities of monopolistic control began to form trade associations as early as 1860, but they soon found it impossible to create permanent working organizations on this medieval principle. So, about 1890, trade associations began to put more and more stress on the elimination of particular evils growing out of excessive individualistic competition. From that activity they have enlarged their interests to study the economical operation of their industries, so that each association tries to make its members better able to cope with the new competition of industry against industry.

Nothing is of more importance in the practical operation of trade associations than the collection of facts. Facts develop group action and intelligence, and make possible voluntary, noncollusive group direction of industry and trade.

This fact-assembling activity of trade associations has been the subject of much legal controversy. The criterion by which to judge the activity is the use to which it is put. Such is the stand of the Department of Justice. This clears up much of the confusion caused by the four apparently conflicting decisions of the Supreme Court.

The trade association that is rightly founded replaces the suspicions based on a lack of knowledge, acts of hostility based on short-sighted self-interest, with feelings of friendliness and cooperation. It makes men both better informed and more human.

—R. L. B.

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A Clergyman Looks at Business

By JOHN LEONARD COLE

Pastor of the Methodist Episcopal Church of Bennington, Vermont

THERE is an adage which used to be heard more frequently that "business is business," the implication being that real business had no dealings with real friendship, courtesy, morality or, least of all, religion. Twenty-five years ago it was not unusual to hear the question seriously debated: "Can a business man be a Christian?" The steadily increasing social conscience of men demands that not only should it be possible for business and religion to "mix," but for the sake of both they must be inextricably "mixed."

A judge questioning an ignorant native who had declared his confidence in a certain minister in that section, a witness in the case, said, "Did you not say that this minister changed the landmarks deliberately?"

"Yes," said the native.

"And you still believe that he is trustworthy and a good minister?"

"Yes," came the response; "what has religion to do with landmarks?"

Perhaps in some remote spot such a question could be seriously asked, but nowhere close to centers of enlightenment; religion has a good deal to do with "landmarks," and dividends, and wages, and relations of employers to employees, managers to men, and directors to the public; religion has to do with everything which has to do with human relations—this is the modern and true conception.

Popular Opinion of Business

UNFORTUNATELY there are some places where business is still "viewed with alarm," especially if it be "big." Association of ideas seems to be so powerful still with some students of modern life and memory of former abuses so distinct, that bigness in industry connotes badness.

The professor of sociology in a mid-western university, answering the question, "Is the world growing better or worse?" answers in about four pages of a recent number of a widely circulated religious paper that in point of health, family morals, equality of sexes, education, sobriety, religion, and even politics, the world seems to be rolling in the right direction. But as for business, particularly big business or what is called "the interests," it is called "predatory," and accused of using any means fair or foul to influence public opinion and gain control of the Government.

The conception which remains from reading the professor's quick summary of the world's events for the last twenty-five years is that almost everything is improving but business, and that business is sordid and scheming.

My observations, sitting through all of the sessions of the fourteenth annual meeting of the Chamber of Commerce of the United States, support the conclusion that modern business in America is just as sincere and progressive in the applications of Christian principles as any other group in American life. If they can be judged by their words and given the credit of good faith, business is high minded and intelligently altruistic.

Business has its "gunmen," to use the expression of Herbert Hoover, but they do not dominate, and what department of life has

not its inferior specimens by which it ought not to be judged?

The professor to whom I have referred would doubtless consider me one of the "house-chaplains" whom he says the plutocrats have no difficulty in hiring, when I rise to remark that modern business men evidence about as much religion in their dealings with themselves, their workers, and their public as do other groups of citizens. As a matter of fact, my whole training and background throws me into closer sympathy with the wage earner than the employer. All his long life my father has been a wage earner and for the last twenty years a union carpenter. I myself have contributed parts of two vertebrae to the construction of Greatmeadow prison and been paralyzed a year, having been hit with the boom of a derrick while working, during college vacation, as a carpenter's apprentice.

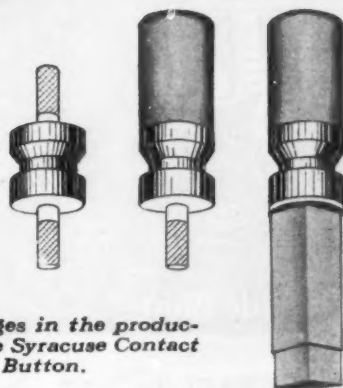
Devout reader of Rauschenbush, Ward, McConnell and other major prophets of the social gospel, I more naturally get the attitude of the wage earner than the stockholder or the owner. Some things I have written for the official journal of the carpenter's and joiner's union. But I trust that I have clear enough, and unbiased enough, eyesight to see and recognize truth and reason wherever it may be visible, and I am sure that I have no inclination to give credit to any man or group of men who, with good intent, endeavor to practice the principles of the gospel which I have been proclaiming for thirteen years.

Not from any superficial things observed in the Chamber meeting like the public prayer by a Congregational minister or the enthusiastic conversation on church polity indulged in by my table companions at one of the luncheons (who knew nothing more about me than that I was a national councillor of a Chamber of Commerce)—by none of these indecisive things, but by the whole tone and temper of the discussions and the spirit which seemed to actuate both the leaders and the two thousand delegates present, would I give my opinion that business in a perfectly wholesome and normal way, is "getting religion."

Improved Attitude of Business

BUSINESS has been "exposed" to religious ideas for a great many years. During the last fifteen, some of them seem to have taken effect, and are giving a new tone to the whole body of modern industry. A different attitude toward employees, public, and competitors, and a respectful spirit toward life's highest values give the impression that some of these principles which were too long isolated from actual practice as platitudes and preacherisms are actually getting "under the skin."

"Do justly, love kindness, walk humbly." . . . "Do unto others as you would that they should do unto you"—are being taken from the lips of prophets and put into the lives and deeds of factory owners, stockholders, and foremen. Take this very simple matter of honesty—called in reference to speech, truth. When he was rebuking some of his contemporary ecclesiastical hypocrites, the founder of Christianity put "truth" among the "weightier matters of



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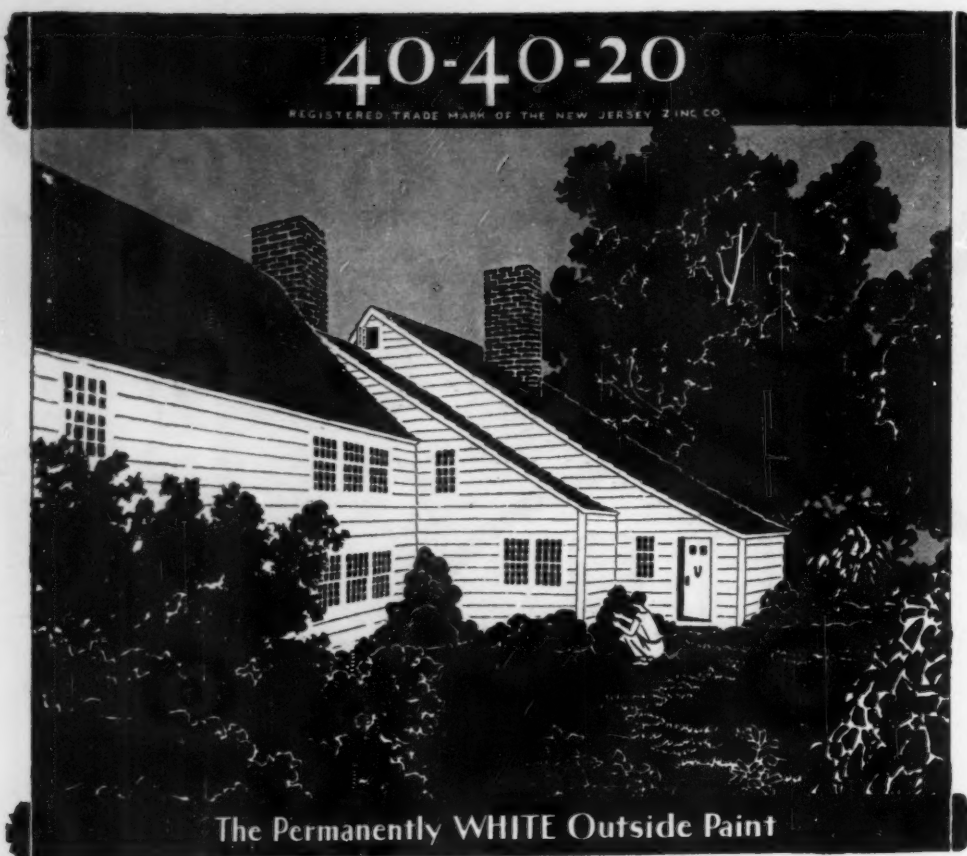


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40-40-20 wears well. Its fine covering and spreading qualities make a little of it go a long way. Its use is an economy.

40-40-20 is made in paste form for painters' use and can be tinted to any desired shade. Many manufacturers also make 40-40-20 mixed ready to apply in white and in beautiful shades and tints.

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the law" which they had overlooked in their ceremonial punctilios.

Yet actual adherence to truth, and out and out fairness, has not been the prevailing rule even among those business men who called themselves "Christian" for the last two thousand years. There is good evidence, however, today; there was good evidence to anyone with a sensitive conscience at the meeting of the Chamber of Commerce that truth in statement and honesty in methods are coming to be the rule, not the exception, in business.

The men there aimed to talk simply and play the game fairly. No pyrotechnics in speech or exaggerated statements, no "star chamber" or "steam roller" tactics, were discernible. These delegates and speakers, representing one particular section of the industrial life of America, made honest attempts to be fair to every other section.

Listening to President O'Leary, speaking of the general policy and plans of the Chamber, or Governor Ritchie in his vigorous address on the respective spheres of the Federal and State Governments in relation to business, or Julius H. Barnes in his masterly summary of "Self-government in Business," or Representative Mills, in his crystal-clear exposition of the taxation problem—the conviction kept deepening upon me that: these men have nothing "up their sleeves," they are not here intriguing, they have no eye out for "special privileges," they are not concocting tricks by which to "put something over" on an innocent public or abused employees; they are most interested in a fair chance both for themselves and others to develop without hindrance.

Nothing could be more frankly honest, almost bluntly so, than what Governor Ritchie said in substance over and over: "The price of freedom for business is willingness to do justice to fellow-men. Business is to blame because it has been slow to recognize its rights and its duties. Business cannot use government for its own good. Business should be like Caesar's wife, above suspicion. If self-governing business does not reduce its evils, government must. Business cannot be entirely free from faults. There is too much evil in human nature."

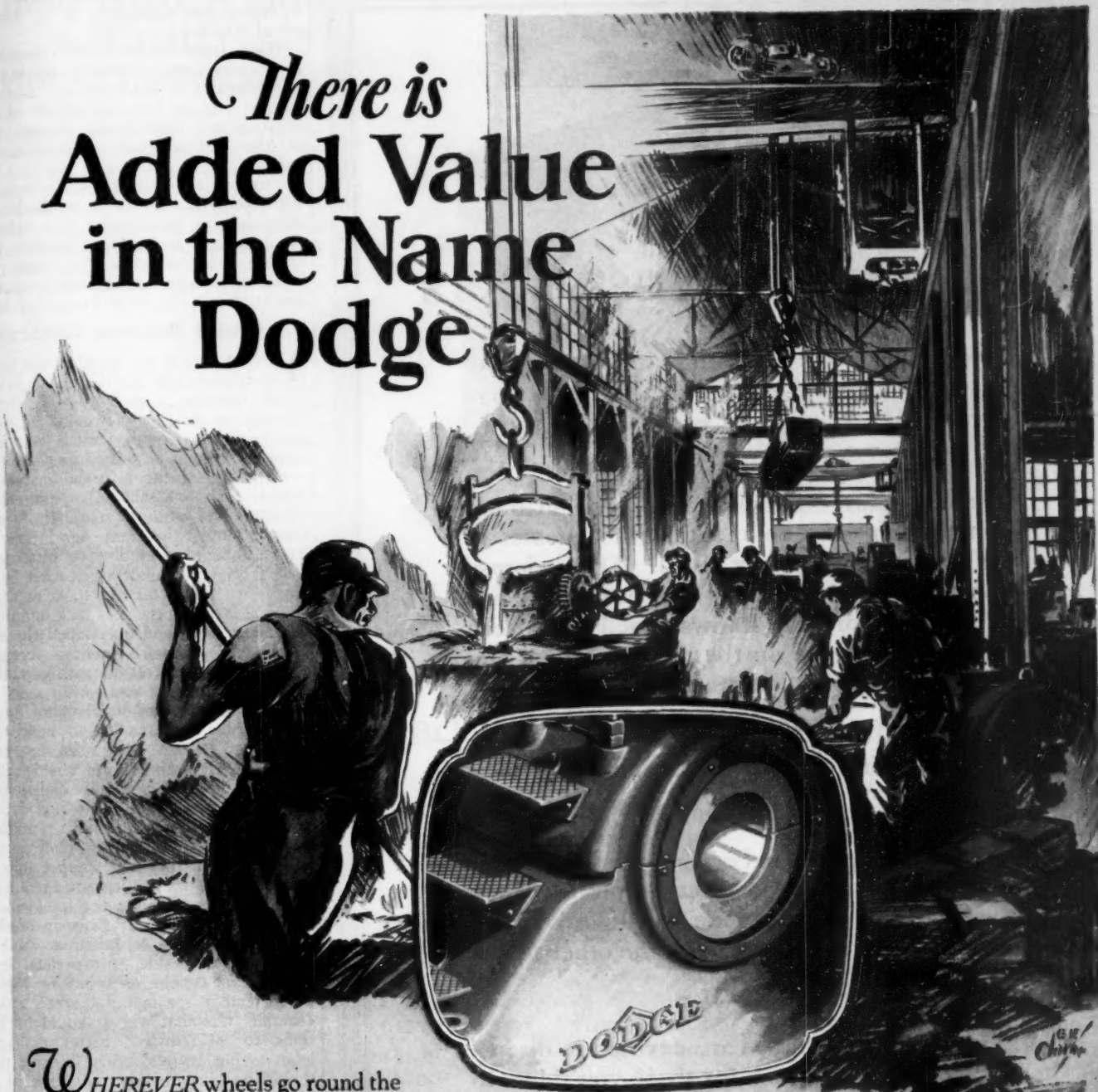
Business Setting High Standards

FORMER President Barnes in his calm and impressive manner reminded the Chamber how much depends upon American business maintaining confidence of the public by adherence to truth and fair play—"organized business believes it is building a record of good faith and of standards and ethics which entitle it to public confidence and esteem . . . So, too, organized business today does not claim that practices of the past were always fair and just. But the business community has set today standards of conduct higher than those generally accepted in former years."

I have distinct memories of religious assemblages where the enthusiastic speakers displayed considerably less modesty and made much feebler attempts at simplicity and fairness to all parties under discussion than was shown by these "secular" men at the chamber meeting.

In my own State of Vermont there has just been issued a book entitled "Codes of Ethics" containing 197 codes of ethics from business and professional organizations, 70 per cent between 1920 and 1924. One of the last and most progressive is the Chamber of Commerce's own "Principles of Business Conduct" circulated widely, which the

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Several of our booklets are devoted to discussions of cost facts. Ask for those you'd like to have. No. 864-A: "Property Records—Their Effect on Profit and Loss." No. 889-A: "What Is Your Plant Worth?" No. 890-A: "Appraisals and the Profit and Loss Statement." No. 934-A: "Appraisals and the Business Cycle." No. 930-A: "Appraisal—An Essential to Good Management."

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Federal Council of Churches noted as commendable and significant to all students of social ethics.

What Judge Parker said in framing those 15 principles was verified by the behavior of the delegates at Washington: "Business has formed and is forming habits of straight thinking and right acting because they are in the last analysis economically sound habits."

Truth in advertising, frankness in dealing with workers, honesty in methods affecting the public, or government, such habits growing each year in American business heartens anyone who watches for signs of the "weightier matters of the law, justice, mercy and truth" in the social life of his day.

Cordial Relations Established

THERE was in all the addresses and group discussions and in most of the extemporaneous remarks, a serious—yes, Christian—attempt to get the viewpoint of the other parties and establish cordial relations and common ground of procedure.

Only once, in an informal discussion following Mr. Litchfield's address upon "Wages: the present attitude of employer and employee," was any word uttered that had a tone of prejudice or bitterness, and that a brief informal interjection by a New York City contractor who spoke evidently out of unpleasant experiences with one branch of organized labor and questioned the sincerity of organized labor's policy, recently announced, of cooperation with capital to increase production and willingness to be judged not by hours of labor but by output.

But these remarks found little response with his hearers (one listener near me grunted, "He wants to go about a hundred years"), and the idea of questioning the A. F. L.'s good faith in its president's pronouncement was immediately repudiated by the real leaders of the Chamber present.

The tone of that and every group discussion was: We are not looking for a fight; we are not trying to locate the faults in others; we are here to do our share in establishing that good will and cooperation which is imperative for stable, prosperous industry. The general conclusion following Mr. Litchfield's lead in the manufacturer's group, for example, was that wages should be the last thing to be reduced; better management, labor-saving devices, every possible recourse should be tried, before reduction of wages.

In a meeting frankly dealing with "Commerce," one might not logically expect large recognition of values not material. But the idealist, sitting through this session, would not have felt greatly depressed or out of his element.

There was no flaunting of the dollar sign. Seldom were the words "profit," "returns," "dividends," heard. There was recognized underlying all discussions and addresses some things more precious than money, values more intangible and enduring than financial.

True, no members of the Chamber pretended to be in business for health's sake; most of them would doubtless vigorously deny any conscious motive of humanitarian "service."

Secretary Hoover would hardly be called a preacher, but there was a beautiful spiritual note in his closing words at the annual banquet to the effect that "Economic things are not the great objective, but if by their steady improvement we may further reduce poverty and create secure and happy homes, we shall have served God to make better men and women."

Canada Also Wants a Tariff

By CHAUNCEY DEPEW SNOW

SOME YEARS ago Speaker Nicholas Longworth worked up a definition or description of tariff protection which he contended was the world's most polished statement of the protective attitude. We haven't looked up that statement, but here's one that was adopted this summer by the Canadian Manufacturers' Association, and if it doesn't amplify and somewhat cast in the shade Br'er Nick's effort, then frankly we're surprised:

Resolution on The Customs Tariff and Tariff Preference.

WHEREAS, A sound and stable fiscal policy is absolutely necessary for the national development of Canada and the welfare of the entire population; and

WHEREAS, The provision of an adequate tariff for the safeguarding of agriculture, mining, fishing, lumbering, manufacturing and all other forms of Canadian production should be the corner-stone of Canada's fiscal system; and

WHEREAS, Such a fiscal policy would bind together more firmly the provinces of Canada, attract capital, commercialize national resources, strengthen existing industries and create new industries, raise revenue, encourage immigration, discourage emigration, provide employment, increase traffic through national ports, furnish passengers and freight for transportation systems, lower freight rates and make farming more profitable by providing a larger market for farm products at home and securing new markets abroad; and

WHEREAS, Since the war, all other industrial countries have raised their customs tariffs and increased their import restrictions, while the Canadian tariff has been reduced seven times, thus encouraging other countries to sell us goods, while they make it increasingly difficult for us to sell goods to them; and

WHEREAS, These countries use their tariffs to bargain among themselves and to receive from one another profitable trade preferences; and

WHEREAS, Canada can obtain little advantage from these preferential bargainings, because our tariff is now so low through successive reductions that we have little to offer to other countries, therefore, be it

RESOLVED, That the Canadian Manufacturers' Association, in annual general meeting assembled at Toronto, on June 10, 1926, record its opinion that the Canadian customs tariff should be immediately and substantially increased on finished products where necessary and that, when higher rates of duty have been put into effect, Canada should endeavor to increase her export trade by making preferential tariff arrangements, based on the principle of bargaining, with other countries, particularly countries of the British Empire.

Three Tariff Rates

THE manufacturers north of the boundary were also critical and dubious of the benefits derived from granting liberal tariff preference to articles of British manufacture, and resolved to "strongly urge the government of Canada to adjust the British preferential tariff so as to equalize the difference in wages and other costs in Canada and the United Kingdom." Always bearing in mind that there are a couple of other tariffs in Canada above the British preferential rate—namely the Intermediate Tariff and the General Tariff, the last and highest of which applies to us—it would seem that our manufacturing confrères up north are desirous of a General Tariff that is several levels higher than the cost of production.

Canada is credited with being the first

EVERY ROOF NEEDS INSULATION



Factory and office building of Jabez Burns & Sons, Inc., 43rd Street and 11th Avenue, New York City. The roof is insulated with Armstrong's Corkboard, two inches thick.

Insulating this roof with Armstrong's Corkboard saved \$2,000 in additional heating equipment

DURING the winter of 1917-18, it was almost impossible to keep the top floor of this building comfortably warm. Extra steam pipes were placed along the skylights, and storm sash on the windows. Still the top floor was too cold.

Then Jabez Burns & Sons did a little figuring. Heat was undoubtedly being wasted through the roof. If this loss could be prevented the existing heating plant was large enough. Otherwise it would be necessary to spend \$2,000 for additional heating equipment.

Armstrong's Corkboard Insulation was the solution. The entire roof was covered with Armstrong's Corkboard two

inches thick. It was laid right over the old roofing and new roofing put down on the corkboard.

Eight winters have passed since the original installation, and each winter results have surpassed expectations. It has been easy to maintain a comfortable temperature, not only in winter, but in summer as well, for Armstrong's Corkboard acts as an effective protection from the heat of the sun. The corkboard has long ago paid for itself by a saving in fuel, heating equipment and in the increased efficiency of employees.

Complete facts and figures on the insulation of the Jabez Burns & Son's building compiled by an independent firm of engineers will be sent on request.



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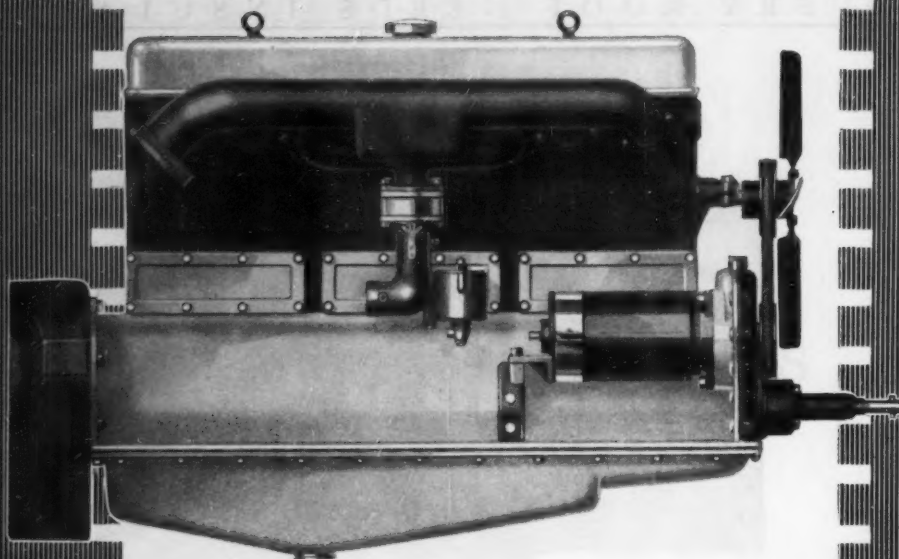
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Branches in the Principal Cities of the United States

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business



One Motor Source for Your Full Line

The complete power range of Wisconsin Sixes and Fours, 20 to 120 H.P., affords important savings between factory costs and price-to-dealer.

For each of a full line of trucks, busses, tractors or construction machinery, Wisconsin provides the right motor. You do business with but one motor builder, capable of tremendous capacity, dependable, amply financed. Your inventory is always less, yet you are sure of a continuous flow of motors, scheduled to your needs.

In addition to factory-cost savings is the selling advantage of a definite, demonstrable economy in the performance of your product. Every model in the line Wisconsin delivers, invariably, more power per cubic inch—more work per gallon of fuel and oil—and a consistently lower shop service.

We will gladly send the facts and figures.

WISCONSIN MOTOR MFG. COMPANY
MILWAUKEE WISCONSIN

Wisconsin Motors are built in a full line of Sixes and Fours, with power range from 20 to 120 H.P., for trucks, busses, tractors, and construction machinery.

Wisconsin
CONSISTENT



discoverer and user and patentee of anti-dumping duties. The Canadian Manufacturers in Convention Assembled express the belief that the present anti-dumping law contains no adequate safeguards against the products of debased currency and debased labor of Europe, and "strongly urge" the Dominion government to revise upward the anti-dumping laws.

The Canadian manufacturers admire the efficacy of our United States consular invoice requirements, and "strongly urge" their government to set up a system of requiring invoices to be vided by accredited officers of the Dominion government in the countries of export for all shipments valued at more than \$100.00. They would have the government appoint the numerous government Trade Commissioners abroad which this step would make necessary—since Canada, as a British possession, has no consular officers to do the job.

Of course the Canadian manufacturers also renew their faith in the nation-wide crusade to have all Canadian buyers restrict their purchases to goods produced in Canada.

The Advance Guard of Science

PURE SCIENCE is the advance guard of civilization, according to General J. J. Carty in giving unqualified support to the efforts of the National Research Endowment of the National Academy of Sciences in its effort to raise twenty million dollars for research in pure science.

General Carty says: "Scientists by their discoveries furnish to the engineer and industrial chemist and other applied scientists the raw material to be elaborated into manifold agencies for the amelioration of the condition of mankind."

The purpose of the National Research Endowment is to increase and strengthen American contributions to the mathematical, physical and biological sciences by the creation of a national fund for skilled investigators, who will be selected by the best qualified experts in the National Academy of Sciences from among the ablest and most productive investigators engaged in pure scientific research.

Such fundamental research as these investigators will be engaged in is the basis of modern economic and industrial progress. An example of that in the chemical industries is the synthetic production from coal tar distillate of dyestuffs, antiseptics, high explosives, perfumes, flavors, and medicinals of commerce.

Six millions of people in the United States are directly or indirectly engaged in the electrical industry and all of us use its products, yet but for Faraday's discovery of electromagnetic induction there would be no such industry nor the degree of material well-being that is its result.

Food is produced more readily and abundantly as a result of Priestly's continued scientific observations on the production of nitrogen and oxygen compounds by electric sparks in the air. Later, Cavendish's production of nitrate of potash from the resulting gases gave the world its artificial nitrate industry.

These are but a few examples of the far-reaching results of investigation in pure science. Mr. Hoover is in charge of the raising of the twenty million dollars that will make possible uninterrupted investigations in pure science.

Adequate Storage for Every Purpose



Desk High Style, No. 5617, for use beside a desk or table, providing a safe and convenient storage place for supplies and equipment.



One Door Style No. 5618 (18" depth) Especially desirable for utilizing narrow spaces otherwise too small for other than storage purposes



Two Door Style, No. 5619 (18" depth). No. 5620 (24" depth) All Van Dorn Storage Cupboards can be converted into Wardrobes by removing all but the top shelf and inserting coat hanger rod.

VAN DORN Steel Storage Cupboards and Wardrobes offer you an inexpensive and adequate means of protecting office supplies, stationery and countless other articles of value from loss or deterioration. And the actual time they save by eliminating delays, caused by searching for lost or mislaid articles, soon pays for their cost.

Every well-managed business, regardless of its size, can profitably use Van Dorn Steel Storage Cupboards and Wardrobes. There is a style and size for every standard requirement. Special requirements are exactly met by the correct combination of Van Dorn Convertible Steel Shelving Units.

Ask the Van Dorn merchant in your vicinity or write us here in Cleveland for details and prices.

THE VAN DORN IRON WORKS CO., Cleveland, O.
Branches: New York, Chicago, Washington, Pittsburgh, Cleveland
Agencies in All Principal Cities

Van Dorn
MASTERCRAFTSMANSHIP
IN STEEL



When writing to THE VAN DORN IRON WORKS CO. please mention Nation's Business



John Davey, Father of Tree Surgery

Choose your tree surgeon on these 5 points

1. How much experience?

Davey Tree Surgeons have back of them the whole life of Tree Surgery, founded by John Davey, plus 25 years organization experience.

2. How was he trained?

Davey Tree Surgeons are not only carefully selected, but are thoroughly trained in practical skill, plus scientific training in the Davey Institute of Tree Surgery.

3. Are proved methods used?

Davey methods are standardized. They are proved by vast experience—a half million trees saved by Davey Tree Surgeons in 25 years. No experimenting is done on your trees.

4. How can you be sure?

You, as a layman, cannot possibly know Tree Surgery values. You must buy on faith. The Davey Tree Expert Company guarantees that its men are personally reliable, thoroughly trained, and give satisfactory skilful service.

5. Is he responsible and permanent?

Davey Tree Surgeons represent a permanent, responsible concern, doing a national business of more than \$2,000,000 in 1926, having nearly 700 trained and reliable Tree Surgeons, with a competent organization and adequate supervision to give quality service, and with ample resources and disposition to make good to its clients. Local representatives live and work in your vicinity. Write today.

The Davey Tree Expert Co., Inc.
602 City Bank Building
Kent, Ohio

What Is Business Without Capital?

By ALVAN T. SIMONDS

President of the Simonds Saw and Steel Company

SAM WITHAM, of Sandwich Centre, started as general chore boy around the store at the age of twelve and gained his knowledge of business by long hours and hard knocks. When buyers were few, he just waited until business was better. It always had come back. Why not again? Sam knew there was such a thing as economic theory, but to him it was bunk.

His knowledge of economic theory was on a par with the knowledge of medical men before they commenced to study the circulation of the blood in medical schools. During 1920 and 1921 many previously successful and so-called practical business men learned entirely new lessons in economic theory. Since then the buyers of education in our schools for business administration have far exceeded the supply.

We must not blame Sam too much, for he is not the only one to whom economic theory is bunk. Let us not forget the Greenback movement, Bryan and Free Silver and all the believers in these economic fallacies.

Let us not forget Russia, one of the largest nations in Europe that thought it could get along without the capitalists. Let us not forget the prosperity (?) in Germany manufactured by printing presses. Let us not forget that France still believes that prosperity may be maintained permanently by living beyond one's income and spending in any old way.

Remedies for Economic Ills

NOT LONG ago, when business was poor, a large automobile manufacturer and a celebrated scientist put their heads together and advised the circulation of warehouse certificates, just as if they were not already in circulation, though not visible to the average man.

Another wants to stop all manufactured goods from coming over the tariff wall. Evidently it has never occurred to him that then our farmers could sell none of their wheat or cotton outside of the United States.

Sam does not know why there is a shortage of buyers or why there is an overproduction in many lines. When they talk to him about the circuit-flow of money Sam cannot think at all. Sam has not even dreamed that

there is a vast difference between money and capital. Sam knows all about crows, crowbars and buyers. He does not study or understand economic theory, but he has an opinion that it is bunk.

What George Berkeley said nearly two centuries ago is just as true today—"Few men think, but all have opinions."

Tell Sam that of the seventeen hundred millions of people on the earth, seventeen millions lost their lives in the World War, and he thinks it is terrible! Tell him the cost of the war was two hundred billion dollars, and he says, "Oh, shucks! That is only on paper. There is just as much gold in the world as ever. We can have just as much money as we had before the war."

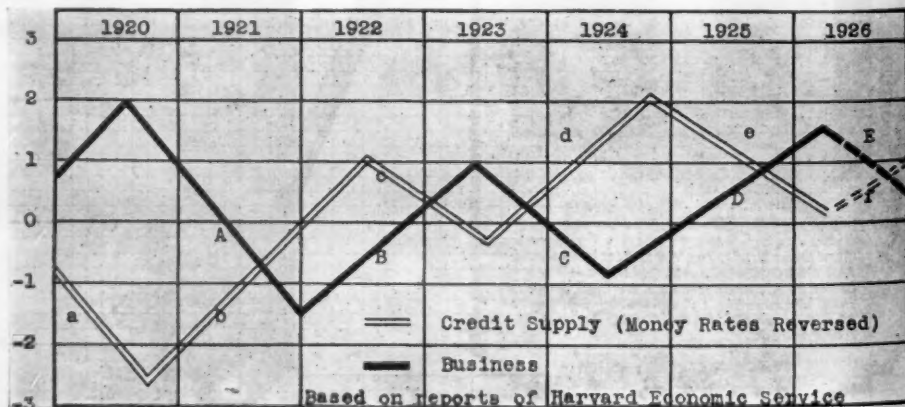
He should have lived in Germany during 1923 and 1924 when money was as plentiful as the leaves on the trees and buyers as plentiful as mosquitoes in New Jersey. We are wondering if anyone will claim that these buyers made business good.

Per Capita Wealth of U. S.

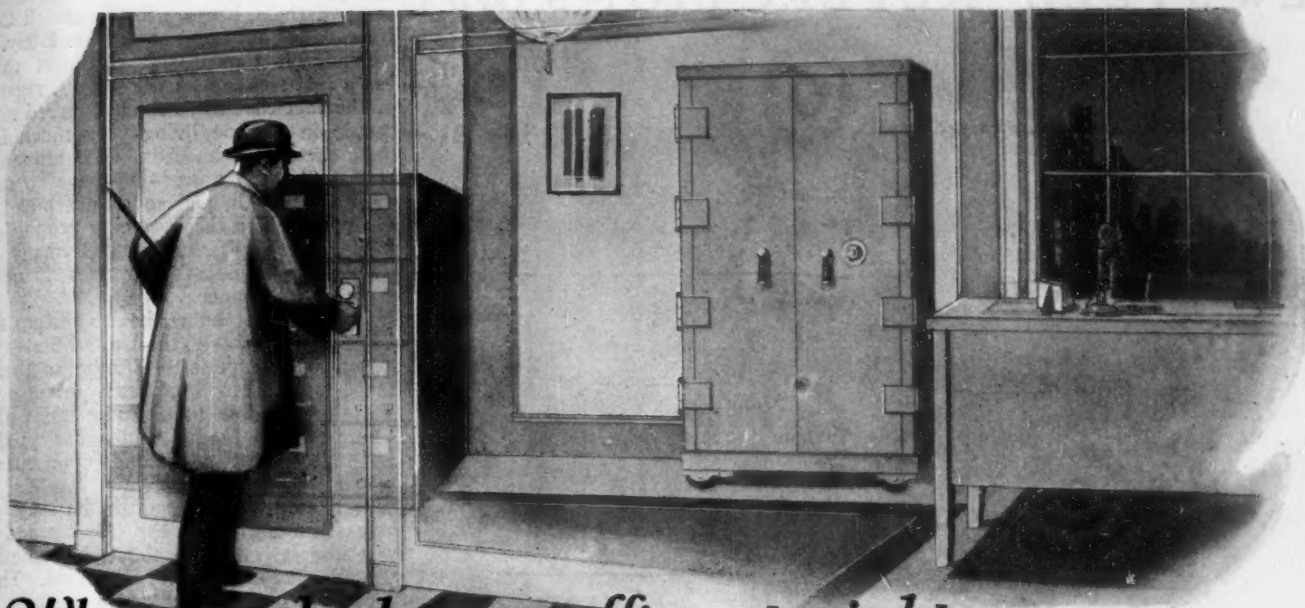
SAM WOULD be astonished if you told him that there is about \$3,000 in capital back of every man, woman and child in the United States, and that our prosperity and our standard of living are based upon this capital.

If you said to him: "Supposing the United States had paid the whole cost of the war, two hundred billions of dollars out of its wealth in 1918, and this two hundred billions in wealth, in fixed and liquid capital, could actually have been taken out of the United States, then millions of people would have starved to death in the United States in 1919, if other people had continued to keep up the same standard of living that they enjoyed at the time the debt was paid." He would not believe you. Neither would a great many other people.

That the last war will take sixty-two years to pay for also went over Sam's head. As a matter of far-off, but no immediate, interest to Sam is the fact that U. S. government bonds yield 3½ per cent in interest, whereas the return on the majority of bonds of other governments is 7½ per cent. Sandwich Centre heard a few years ago about the



A chart illustrating Mr. Simonds' thesis that a recession in the credit supply (high interest rates) brings on a recession of business



When you lock your office at night are your records **SAFE**?



MANY a man goes home at night believing that his vital business records are safe because he has turned the key. He has not counted on the greatest thief of all—**Fire!**

Fire laughs at bars and bolts. It may not destroy a fireproof building, but it will devour its contents.

House your records where they are completely protected—under all conditions and at all times—in an ART METAL SAFE.

ART METAL SAFES not only meet the rigid tests of the Underwriters' Laboratories, but for more than a decade have withstood the fiercest fires, bringing their contents through the flames undamaged. Their resistance to *fire* and *impact* is known to far exceed the actual fire conditions they may ever have to meet.

Not only will an ART METAL SAFE protect its contents now, *but it will do so fifty years hence.* ART METAL engineers, after years of research, have developed the special "Mono Dry Insulation", a new dry moisture insulation becoming most effective only when subjected to intense heat, and maintaining its resistive qualities 100% during the lifetime of the safe.

ART METAL SAFES are not bulky or cumbersome. Flexible, interchangeable interiors make every ART METAL SAFE a custom-built model fitted to your business needs, forming an *active* part of your office.



Art Metal Mono Dry Insulated Safes carry the Underwriters' Laboratories Labels—Class A and Class B. Ten sizes.

Send today for the Art Metal Safe Catalog, an answer to every risk surrounding your records. Use the Coupon.

Art Metal

STEEL Office Equipment, Safes and Files
ART METAL CONSTRUCTION CO., - JAMESTOWN, N. Y.

Art Metal Construction Co., Jamestown, N. Y.

Kindly send Safe catalog.

Name

Firm Name

Address

NEWSTEEL REFLECTIONS No 5



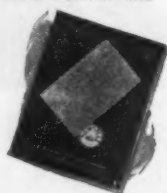
*Where Service and Quality
go hand in hand*

SERVICE from heating devices depends, in no small measure, upon the quality of the material from which they are made. So, this quality cannot help but determine the good name of a trade mark and influence its reception by a now critical public.

The basic material controls the economics of fabrication—it can speed or hinder all operations of manufacture. Design is governed by its ductility and long life is dependent upon its strength and durability. The very appearance of the device waits for the worth or failure of its surface finish.

And good steel sheets—Newsteel Sheets—offer a base upon which to build heating devices known for their service and quality, which go hand in hand.

Newsteel Sheets are made for those manufacturers requiring a material about which there is not, and never can be, a question of substitute or compromise. The story of this precision is told and illustrated in the Newsteel Catalog. A copy will be forwarded upon request.



THE NEWTON STEEL COMPANY
YOUNGSTOWN, OHIO

When writing to THE NEWTON STEEL COMPANY please mention Nation's Business

war profiteers, and now wonders what became of them, because the *Sandwich Centre Gazette* has not mentioned them lately.

Sandwich Centre still considers that it has a real right to be prosperous, regardless of the fact that there are a hundred million people in Europe living very much below their previous standards, with millions almost starving, because they have no capital to produce with, and so cannot buy. Sam had never heard that a goodly proportion of the debt that France owed Germany after the Franco-Prussian War was loaned by Germany to France.

Sam does not know that to restore a fair balance in the world, the United States must loan enough capital to Europe so that she can get back to work and produce more and thus be able to consume more of our wheat, cotton, coffee and other products, and that this makes demands upon our capital supply.

If Sam lives long enough, he may, some years hence, pick up the *Gazette* and read that interest rates are about the same in all the principal countries of the world. Then it may even occur, as it has in the past, that there will be more buyers than sellers, and Sam will have no trouble in getting rid of "them pesky crowbars."

That spending money in "any old way" makes good business is probably the commonest and most widespread fallacy. Judging by what we have been reading lately, it is spreading in new circles. In 1920 a man sold the Brooklyn Bridge to someone from Sandwich Centre. Perhaps business was good for the seller. It was not for the buyer. Good business means good for all concerned. In 1925 agents sold a family with earnings of \$40 a week a Victrola, a radio, a washing machine, a flivver and other goods on instalments, totaling \$72 in payments each week. Was this good business?

Perhaps the head of the family should have had wages of \$50 per week instead of \$40. This would have helped matters but little, however. Business activity is not always "good business." Sometimes it gets us nowhere. It is making progress like the squirrel going at full speed in his revolving cage.

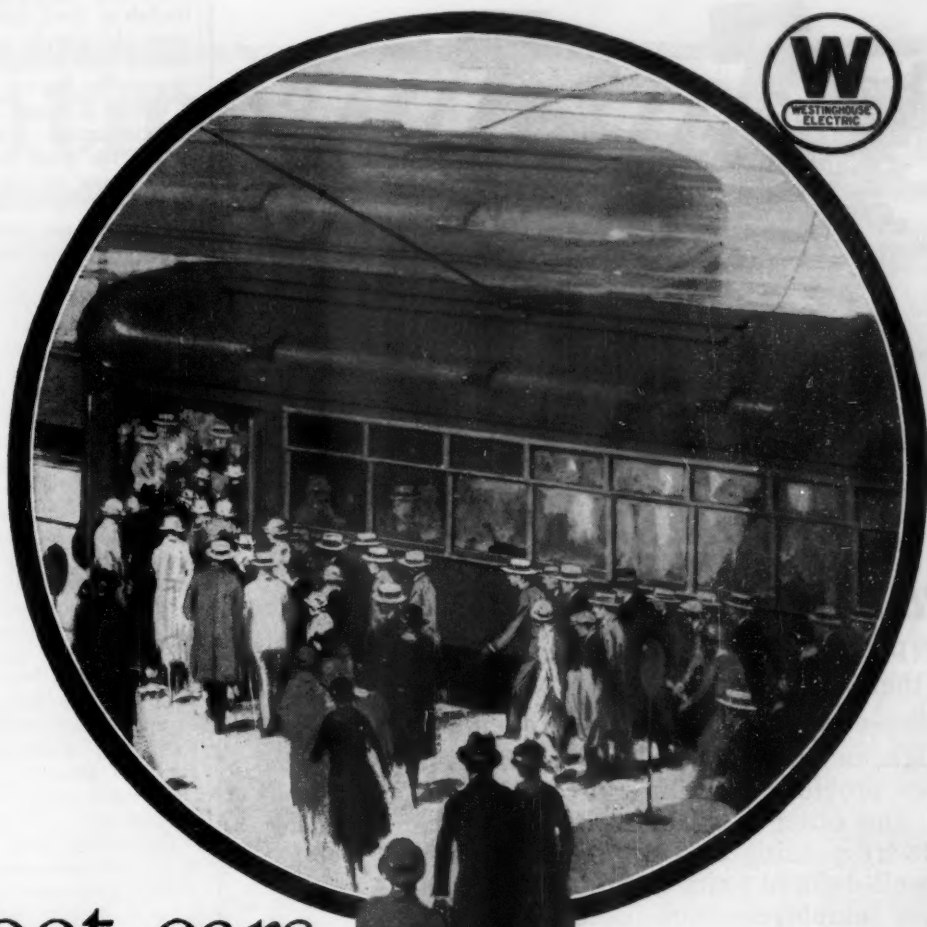
Jobbers as buyers in 1919 and 1920 ordered more goods in many lines than there could be a demand for. The jobbers did this because retailers thought they believed they could sell them to consumers, and therefore ordered them of the jobbers. The jobbers and the retailers should have known better.

Sam Witham and others from Sandwich Centre went to the metropolis and bought six dollar neckties, silk shirts and tuxedos. Their wives bought new furs, such as they never thought of wearing before, and lingerie, and dresses in keeping with it. So on all down the line. Buyers lost their ordinary good sense. Will anyone of good judgment declare that this made good business? It made unhealthy business.

In 1921 the buyers were forced to reduce their purchases below their usual amount to balance up their extravagance of 1919 and 1920. Many business failures resulted, the cost of which was passed on to consumers.

Later in 1924 and 1925 and even in 1926, many buyers have mortgaged their earnings a year and even two or three years ahead to buy luxuries that, with their earning power, they cannot afford. In 1926 and 1927 they will have to suffer, more or less, for getting out of balance. They will be feeling a depression, and when there have been enough foolish buyers, as there seems to be now, the depression will finally become general.

Its severity will depend upon the amount



Street cars increase street capacity

Could traffic be worse, you often wonder, as you thread your way through crowded streets.

It very likely would be three or four times worse, except for the saving of street space by street cars, and their auxiliaries, the motor buses.

In the busiest parts of your city, street cars carry a vast proportion of the people, but use a trifling amount of street space while doing it.

Otherwise, traffic which now moves in minutes might take hours. Crowds that pass through sixty-foot streets might require two-hundred-foot streets.

Street cars every day move whole cities in

WESTINGHOUSE ELECTRIC & MANUFACTURING CO., E. PITTSBURGH, PA. Offices in Principal Cities. Representatives Everywhere.

Cincinnati, Detroit, Portland, Buffalo, Denver, Pittsburgh. In Cleveland, for instance, over a million passengers—more than the entire population of the area served—ride the street cars daily.

By permitting more people to pass through limited areas than would be possible with any other vehicle, street cars in effect widen streets.

You will benefit, along with the whole community, by helping your electric railway company in its efforts to speed up traffic, facilitate car movements, prevent blockades.

Westinghouse

© 1926, W. E. & M. Co.

For over thirty-three years Westinghouse has been conspicuous in the development of new and improved methods of mass transportation—by electric railways, by steam railways, by subways, by motor buses, by elevators.



Do you supply the town with Coal?

UNPROTECTED yard storage invites theft.

Anchor-enclosed yard storage *prevents* it! A high, unclimbable Anchor Chain Link Fence provides unfailing protection for coal and other yard materials. It prevents trespassing and reduces fire risk. Its well-defined exits permit closer control of employees and others entering and leaving the plant.

The nearest Anchor office or sales agent will gladly supply complete information regarding Anchor Fences and their features of construction which insure years of effective, low-cost service.

ANCHOR POST IRON WORKS

9 East 38th Street

New York, N. Y.

Albany
Boston
Chicago
Cincinnati

Cleveland
Detroit
Harrisburg

Hartford
Los Angeles
Mineola, L. I.

Philadelphia
St. Louis
Pittsburgh
San Francisco

Sales Agents in Other Cities



Anchor Fences

of COPPER-BEARING STEEL WIRE
GALVANIZED AFTER WEAVING

of foolish buying and whether it was simply foolish or d—d foolish, and upon the inroads upon the supply of credit, that will be reflected later in higher money rates, increased charges for the use of liquid capital.

Credit is based on capital, on production not consumed. Plentiful credit at low rates makes for good business. Profits available for the use of business increase the supply of credit. It must be remembered that profits are not hoarded. They are put to work either in the business or in other enterprises.

It is claimed that because wages in industry are only about 80 per cent of the selling cost of the product, and dividends only about 10 per cent of it, that there remains 10 per cent that does not show itself in buying power. This 10 per cent, these profits, may not purchase consumers' goods, but they are spent for producers' goods.

Since the war, whenever the supply of credit at about normal rates has fallen off in a major movement, this has been followed by a falling off in business. Whenever the supply of credit in a major movement has increased this has been followed by improved business. We call these major movements business cycles. In England they call them credit cycles.

Considering only the major movements of credit supply—there have been since the war three downward movements, indicating three periods in which the demand for credit was greater than the supply at about normal rates.

First—beginning in the latter part of 1919 and extending to the latter half of 1920. This movement was paralleled later by a downward movement in business, the depression of 1920-1921.

Second—beginning in the middle of 1922 and continuing until about the middle of 1923. This movement was paralleled later by a downward movement in business, beginning in the spring of 1923 and continuing to the middle of 1924—the recession of 1924.

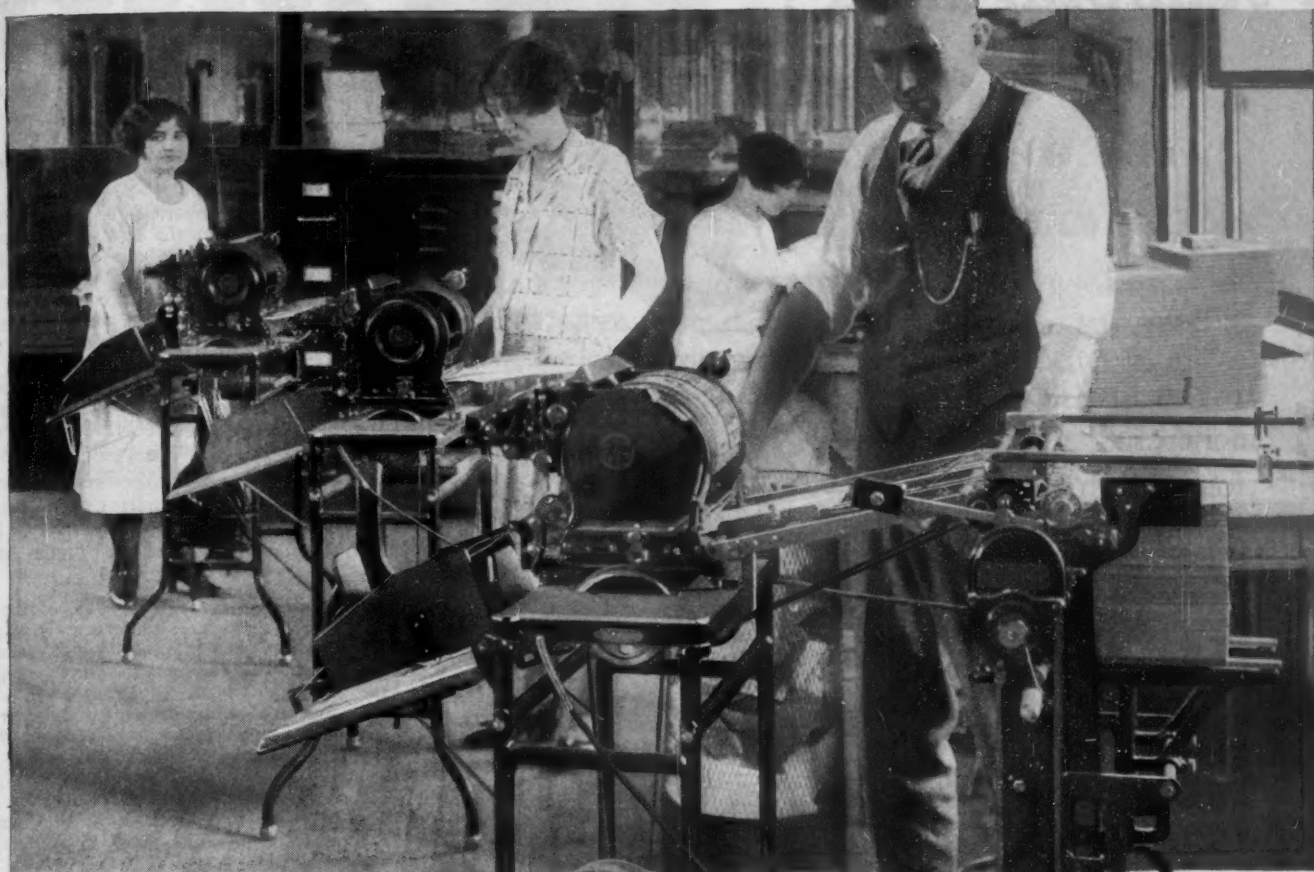
Third—beginning in the fall of 1924 and continuing until the end of 1925. This movement will doubtless be paralleled by a downward movement in business—the recession of 1927. It has already started. We consider *recession* a better word to use for the falling off in 1924 and the probable falling off in 1927. *Depression*, however, applies perfectly to business in 1921.

Note also that upward movements in credit supply have been followed by upward movements in business, culminating in the peaks of 1923 and 1926. The present upward movement in credit supply started at about the beginning of 1926. About fifteen months later business will probably turn up from the recession now immediately ahead of us.

The world today is short of capital. Everybody in the United States seems to believe that, with us, capital is over-abundant, and yet, since the war, there have been three periods each of a year or longer in which money rates have moved higher, i.e., the supply of credit has fallen off in relation to the demand. The chief cause of these movements has been the world lack of capital upon which credit is based.

One of the greatest needs of the world today is increased savings to create a greater capital fund. A large part of this increase may come from profits. A larger part than usual seems to be coming from the earnings of workers who are now rapidly becoming capitalists and sharers in both dividends and profits.

the printing **MULTIGRAPH**



45%

We Quote

Mr. F. W. Knopp, Purchasing Agent
of The American Floor Surfacing Ma-
chine Company, of Toledo, Ohio.

Under date of July 1st, 1926, Mr. Knopp writes:

"We print every form used by us—that comes within the scope of the machine—on our Multigraphs. Aside from the convenience and elimination of delays, we find that our average saving runs better than forty-five per cent under the prices formerly paid to the printers.

"In addition to our printing, we sent out thousands of letters in connection with our Direct-by-Mail campaigns, and the Multigraphs play a very important part in the success of these.

"In short, we are more than pleased with your equipment and will not hesitate to recommend it to anyone with advertising and printing problems such as ours."



A New and Improved Printing Multigraph

Write, on your business letterhead, for a copy of this book describing Model 66.

The book also contains information valuable to those who desire either to reduce printing bills or to increase sales by means of Multigraph printing and typewriting.

Address your letter to

THE AMERICAN MULTIGRAPH SALES COMPANY
1806 East 40th Street, Cleveland, Ohio.

Are you sticking to the Thumb Method of stamping mail?



If you are—this announcement challenges your attention to the Multipost—the *modern* method of affixing stamps.

The New Superior MULTIPOST

Stamp Affixer and Recorder in *one* operation, releases, moistens, cuts off, affixes, and *records* each stamp used.

Put to work in any office, the Multipost saves enough in time, labor, and stamps to *pay for itself* and thereafter earn a profit. Stamping mail is at once *clean, orderly, efficient, economical* and *controlled*. The Multipost makes possible *accurate accounting* for stamps—as you now do for cash. Mail the coupon!

THE MULTIPOST CO.
Rochester, New York



THE MULTIPOST CO., Dept. B-9, Rochester, N. Y.

I have checked below what I would like to have you do for me.

☐ Send Catalog.

☐ Send New Superior Multipost on free trial.

Individual _____
(Kindly give name to insure correspondence reaching right party)

Firm Name _____

Street _____

City _____

State _____

When writing to THE MULTIPOST CO. please mention Nation's Business

Comments on "The New Competition"

TANGIBLE evidence of the importance of the problems raised by O. H. Cheney in "The New Competition" is afforded by comment we have received from business men throughout the country. Trade association executives whose job it is to find ways and means of meeting the competition of industry against industry are particularly interested.

J. H. Tregoe of the National Association of Credit Men may find an answer to his question in some of the answers quoted, or perhaps someone else may be able to give it to him:

I searched in the article for some philosophy as to the causes of the new competition, and whether or not it was considered wholesome. A careful observer has discovered the currents in our present distributive processes that are so different from those of past years that to interpret them properly challenges the most critical mind.

I have been inclined of late to designate these processes as carrying a "jazz" complexion, and I cannot feel they are altogether wholesome from the consumer's viewpoint at least.

Several letters were received with suggestions as to how industries were going to meet the problems more effectively. F. W. Donahoe, of the American Trade Association Executives, writes:

To my mind, the great work of the trade association, today and tomorrow, is to reduce wastes, lower production costs, build sales campaigns and in every possible direction protect the industry which they—the trade associations—serve, against almost certain destruction by industries producing competing materials.

If it were possible to say that a good article economically produced and intelligently distributed would, on account of inherent merit, survive the onslaught of substitute commodities, all would be easy sailing. It is a fact, however, that public favor is fickle, frequently following a ballyhoo, and only going back to the tried and true things after it has almost starved them to death through lack of support.

Mr. Burton Harrington, editor of *Poster*, an advertising magazine, looks at the question from a different viewpoint.

I think that for some time to come our interest will be centered on securing greater economy in sales; first, by making advertising more effective; second, by applying it more intensively to better understood markets; third, by coordinating all sales effort; and finally, by maintaining quality in the product.

Cooperation in Advertising Media

WITHOUT taking any direct issue with Mr. Cheney's remarks as to competition between the various media of advertising . . . in my opinion there is no such thing as competition between advertising media any more than the front wheel, back wheel, and steering wheel of Mr. Cheney's automobile engage in competition.

Evidence of the new competition was sent in by R. M. McClure of the Wirebound Box Manufacturers Association who, traveling in the south, saw this sign, "A. Delcomyn, Dealer in Almost Everything. Furniture, Radio, Electric Supplies, Hardware, Glass, Paints and Oils, Groceries, Farm Implements."

Only a few individuals felt as does one editor who wrote:

He offers no solution of existing conditions, no remedy for existing abuses, no hope for future evolution and development.

What good purpose is served by telling us

How was business yesterday?

SLIPPING? GAINING
STANDING STILL

Now you can know what happens every day

WHAT happened in your business yesterday? What were the sales? What volume of orders did you place? What were your disbursements? What was the condition of your business?

How helpful it would be if all these figures could be placed on your desk each morning; placed there in company with the figures for past periods so that you could note the trend. We can tell you how they can be placed there without the hiring of extra help, merely by installing the right equipment.

A continually increasing number of business men find that through the use of this equipment they have placed before them each day with their morning mail the vital statistics of their business. It tells them what they owe and what is owed to them—what they have to pay out and what they have coming in.

It enables them to compare sales day for day, month for month, and year for year, without ever being more than twenty-four hours behind the actual transactions that control the daily condition of their business.

The first step toward this highly desirable end, this close, timely control of your organization, is to learn more about the means for securing it. At any time you designate, one of our representatives will gladly call and describe more fully the equipment which so much increases the efficiency of your accounting department. He is a man who has applied this equipment to your class of industry, and can give you the benefit of wide experience. Ask your secretary to fill in and send us the memorandum below. Elliott-Fisher Company, 342 Madison Ave., New York City.

MEMO FOR YOUR SECRETARY



ELLIOTT-FISHER COMPANY
342 Madison Ave., New York City

Gentlemen: ☐ Please send me a copy of your booklet, "Why?"

☐ Please have a representative, familiar with my line of business, phone for an appointment with me.

Name

Address

JUST WRITE—ELLIOTT FISHER DOES THE REST—JUST WRITE

When writing to ELLIOTT-FISHER COMPANY please mention Nation's Business



Speed up your Office Records

and protect your profits with
Continuous Interfolded Forms*

For you business men who follow closely all office expenditures, who demand speed as well as efficiency, let us tell you more about Continuous Interfolded Forms.

With Continuous Interfolded Forms:

You can type all records at one time.
You can eliminate five out of six operations.
Three girls do the work of five.

Continuous Interfolded Forms protect your profits and speed up your Office Records.

Here are a few of the additional features which Continuous Interfolded Forms offer you:

As many copies as necessary and always in alignment.
Each copy on different colored paper for quick identification.
Different weights of paper for special uses.
Different grades of paper for economy—cheaper grades for office copies.
Only one neat pack of 500 to 2000 sets of forms, depending on the number of copies wanted.
Each copy a separate sheet with clean-cut edges when removed from machine.
All forms exactly the same length when detached.
No humps at folds to catch or tear carbon paper.

Write us today for more complete information. Let us show you Continuous Interfolded Forms now being used successfully by other Concerns in your line of business.

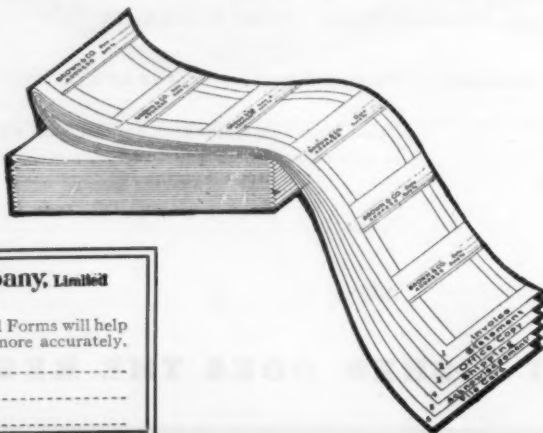


Amsaboco Products are made by American Sales Book Co., Ltd., the pioneer and largest manufacturer of original entry systems that block losses before they start. Our 42 years of experience and the biggest force of trained field representatives is at your service.

American Sales Book Company, Limited
Dept. 309, Elmira, New York

Tell me more how Continuous Interfolded Forms will help me keep my records quicker, easier and more accurately.

Name.....
Street.....
City..... State.....



what we already know in about the same language trade paper editors and contributors have used for years.

An answer to this criticism was in a letter from W. S. Smith of the National Association of Hat Manufacturers that "much publicity is needed to impress business men with the importance of the theory."

Discussion will focus attention on the question and perhaps will better conditions. One man writes that:

We have problems, now regional, that threaten to become national in importance and to affect many interests, generally little appreciated. It takes fifty years to grow a crop of our raw material supply. We encounter every hazard common to and proclaimed by the farmer in his demand for relief. Our costs are compounded annually and our risks are cumulative—increased year by year—but Congress has seen fit to differentiate between the producer of cabbage and corn on the one side of the road and the producer of turpentine and timber on the other. Our lawmakers lack appreciation of the fact that marketing is quite as important an economic factor as is production, and that crates are essential in reaching the consumer with fruits and vegetables. Through the special privileges extended to "cooperative organizations of farmers" they have operated mills of their own at a loss, and the creation of surplus stock brought prices so low that a majority of these special privilege operations were abandoned, but the privilege is an ever-present "Sword of Damocles."

Competition in Labor

CONVICT labor has been the object of much study. C. R. Manzer, of the International Stamp Manufacturers Association, comes in very direct contact with it. He writes:

This industry, as you know, covers Marking Devices and in addition to Rubber and Steel Stamps, Stencils, Checks, Badges, Seals, Numbering Machines and various sundries, this industry also manufactures License Plates. Unfortunately, we have prison labor to contend with. It seems too bad, after going to the expense of thousands of dollars for machinery and factories to turn out a product of this kind, only to have the states procure their license plates from federal prisons. In my estimation this prison labor question is one of the most vital questions of the day. The Garment Association complained about prisons making overalls, jackets, etc., and if any of the prisons stop this work they go right into license plates, and vice versa. It would seem to me that prisoners in our federal penitentiaries should be put to hard labor improving roads and highways.

In commenting on Mr. Cheney's article, the *Typothetae Bulletin* brings out the fact that in printing the competition is not only a question of price but also in processes, types of machinery and methods of selling which are doing more to upset the old conservative methods than the purely price competition.

W. E. Fitch of the Laundry Owners National Association has an example of another form of competition.

In our case, we are enjoying some quite serious competition from the domestic laundry machinery manufacturers. In order to sell their product, some of their salesmen say things about the power Laundry Industry that tend to ruffle the features of us poor laundry owners a great deal.

The icemen are enjoying very much the same brand of competition through the sale of various domestic types of ice-making machines for domestic use.

When writing to AMERICAN SALES BOOK COMPANY, LIMITED, please mention *Nation's Business*

WITH the growing trend towards individual market analyses and the use of newspapers by national advertisers the Business Survey of The Chicago Tribune presents on this page highlights and minutiae of zone marketing, the Chicago Territory, and of The Chicago Tribune.

From the

"The New York Times has for years led all newspapers in the United States in volume of national advertising, weekday and Sunday."

—from an advertisement of the New York Times in Printers' Ink, July 15, 1926.

LITTLE old New York! Even we feel we must go there twice a year. Now we'll tell one.

To the child in the backyard the whole world lies within the surrounding fence. The prim hedges, the shell walks, the scented posies—all are geography's limit. New York is the United States and New York newspapers are the only newspapers in the United States. We, who have been taught a different geography, enjoy the New York idea, knowing that beyond the fence lies tremendous territory.

We are informed that The Times figures automobile lineage as national. Combining The Chicago Tribune's national and automobile lineage, we printed 406,497 more lines than The Times during the first half of 1926.

"The New York Times led all newspapers in the United States in volume of national." Before writing such an advertisement they should have topped the 4,150,729 agate lines which The Chicago Tribune carried the first six months of this year.

From the standpoint of value to the advertiser, competitive lineage figures are only a part of the story. A true measure of advertising value is the "milline." It is a complete, revealing measure of what the advertiser gets, excluding intangibles. Let's try it on The New York Times:

Millines of National Advertising in The New York Times				
Agate Lines		Circulation		Millines
1,935,874	×	356,471	=	690,082 Daily
1,808,358	×	610,041	=	1,103,172 Sunday
				1,793,254 Total
Millines of National Advertising in The Chicago Tribune				
Agate Lines		Circulation		Millines
2,438,280	×	700,433	=	1,707,876 Daily
1,712,449	×	1,087,990	=	1,863,127 Sunday
				3,571,003 Total

The Chicago Tribune carried 10.8% more agate lines and 99.1% more millines than The New York Times. Paraphrasing Hannibal: "Beyond the Jersey Shore lies America."

Personalalia

DONALD OGDEN STEWART, author of "Perfect Behavior" and other hilarious items, is now under contract to The Chicago Tribune. . . He will do a weekly stint captioned "The Other Day" . . . ROSITA FORBES of England and parts east—Asia Minor and Africa—is the author of "King's Mate" the new Tribune serial beginning in the Magazine Section August 22nd. . . Rosita is the lady who, a few years ago, donned the disguise of a Bedouin woman and succeeded in penetrating as far as Kufara in Libya, forbidden to Europeans since 1879. . . That's travelling! . . . JAMES O'DONNELL BENNETT's stories of the recent Eucharistic Congress have been made



"D. O. S."

Tribune Tower



into a beautiful book by the Public Service Office . . . Bennett, by the way, is combing Illinois, Indiana, Iowa, Michigan and Wisconsin for the historic highlights of the middle-west and describing them in a series of splendid stories now running in The Tribune.

Keeping Up With the Parade

OUT of the dance hall, jazz fulminated, America struck a new tempo. Two Pauls flourish while psychologists and savants ponder. A charming singer contradicts a learned divine. "It is jazz incarnate. Its architecture, its business, its life—all sparkle to a synopated measure. An honest jazz tune is better than a sermon on prohibiting anything."

An aphorism of a hard-writing Scot becomes the speed slogan of a whole citizenry. "One crowded hour of glorious life" is picked out in 200-watt lamps across the nation's facade.

Eager for the morrow, searching for the new, 1,151 towns in the five states keep up with the parade through THE CHICAGO TRIBUNE. 20% of the families in 642 towns of less than 1,000 population in the Chicago territory read it as do 20% and more of the families in the 509 towns of more than 1,000 population. In some cases, it is 89% of the families as in Valparaiso, Indiana; or 82% as in Iron Mountain, Michigan; or 70% as in Clinton, Iowa. In all these 1,151 communities 65% of all the families, alert to the new tempo, read THE CHICAGO TRIBUNE.

Frigidaire

"Newspaper advertising, according to officials, has made necessary a \$100,000,000 expansion program started this week by the Delco Light Company, Dayton, Ohio. Immediate plans call for the construction of a \$20,000,000 factory addition, one mile long, at Moraine City, near Dayton. The new factory will be used entirely for the construction of electric refrigerators." (News item).

In 1925 the Delco Light Company stopped considering the United States as one market. They analyzed the country and weighed one market against another. These studies revealed facts vital to any manufacturer. They caused the Delco Light Company to alter its advertising program.

In the Chicago territory, among other desirable features, there are more residential electrical consumers than in 26 western and southern states. ZONE 7's prosperity and fluid buying powers is pronounced as is the out-

Knickerbocker . . . Personalalia . . . Keeping Up With the Parade . . . Frigidaire . . . Hoover . . . Eggs . . . The Tower

TOWER

standing leadership it holds in the general electric field.

Sales and advertising policies were made to fit the market. Eight full pages were run in THE CHICAGO TRIBUNE reaching 65% of all the families in 1,151 towns of this rich area. No other Chicago newspaper was used.

The Stover Company, distributor of Delco Frigidaire electrical refrigerators in the Chicago territory, within six months after the first advertisement appeared quadrupled sales.

Mr. E. G. Birchler, president of the Delco Light Company, passed over the garlands gracefully. "We consider our test campaign in THE SUNDAY TRIBUNE a decided success and have authorized a non-cancellable schedule of at least thirteen full pages in 1926."

An opportunity of equal proportions is offered to other manufacturers who like to think through the surface.

Hoover

"Very few producers have the capacity for selling the United States as a whole, but we find many of them trying to do this. Much effort is lost upon some territories which, if properly studied, would fail to show possibilities sufficient to justify the expense of advertising and selling. A great many manufacturers would undoubtedly find that by limiting their efforts to more circumscribed areas and intensifying their sales activities in such areas, they would not only reduce their selling costs but would probably produce a larger volume of business. The study of the individual sales area, therefore, is of great importance to the sales and advertising departments."—Herbert Hoover.

The sales executive interested in data on the Chicago territory will find constant use for the 1926 Book of Facts. Write for a copy on your business letterhead.

EARLY settlers gauged the richness of soil by its stand of timber. Given a river bank, a plentitude of sunlight and air, a soil stronger in essential elements, a period of serenity, without serious mishaps of wind or rain or drought or infection, and the planted sprig grows into a towering tree of unusual height and health.

Similarly, the TRIBUNE TOWER is the significant symbol of a lush land, a fortunate Chicago territory. THE TOWER represents the prosperity not only of THE TRIBUNE, but of the people who made THE TRIBUNE, the audience who not only pay for the newspaper but who by their purchases and prosperity have made THE TRIBUNE pay out for users of its advertising columns.

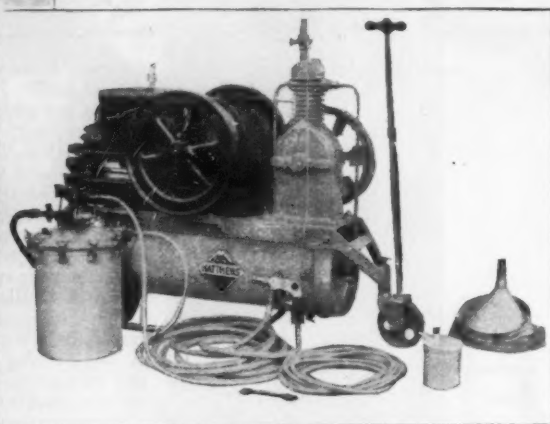
Which Egg?

Two eggs may look alike and the china one may fool the hen but it is a safe prediction that no amount of setting will hatch out more than one chick. Markets present many like characteristics—superficially. But one lacks the germ of buying power; the other is capable of continuous intensive and profitable sales cultivation.

POP TOOP



For Maintenance Painting
and Product Finishing



More Paint Protection at no extra cost

[[The W. N. Matthews Corporation will be glad to furnish you figures showing the enormous saving to industry that mechanical painting equipment has effected.]]

INDUSTRY is catching upon its maintenance painting without increasing the painting appropriation. Executives agree that in the past industry has not painted enough. Many thousands of dollars have been lost through failure to protect buildings and other equipment.

And this hasn't been the only loss! Efficiency of workers has been greatly impaired by poorly painted interiors. Now this condition is being corrected without additional expenditure and the painting departments are catching up in their work.

Mechanical painting, due to great

reduction in labor cost, is enabling maintenance men to paint much additional surface at no added cost, and do a lot better job. Another big saving is that there is no slowing up of plant production when the painters are at work with Matthews Mechanical Painting Equipment. So fast, so clean is the Matthews method that there is little interruption of the usual factory work while painting interiors. Get the facts. One of our representatives will gladly demonstrate Matthews Equipment to you and your workmen, for maintenance work and product finishing.

MATTHEWS MECHANICAL PAINTING EQUIPMENT

MANUFACTURERS OF INDUSTRIAL EQUIPMENT

SINCE
1899

W. N. MATTHEWS CORPORATION
3758 Forest Park Blvd. St. Louis, U. S. A.

Get These



"Mechanical Painting for Industrial Maintenance" contains complete instructive and interesting information on all kinds of interior and exterior painting. "Mechanical Equipment for Product Finishing" completely covers this subject. Send for both these valuable booklets.

Making Arithmetic Fit Business

By HERBERT P. SHEETS

Secretary-Treasurer, National Retail
Hardware Association

EXTORTION fitly characterizes the general public's idea of merchandising. This is less true today than in the early twenties when profiteering charges were hurled freely and frequently at every manner of merchant by everybody from "the man in the street" to the mighty in political positions. According to tales abroad and the opinions that prevailed by almost unanimous voicing, every man in any way connected with distribution of any class was a conscienceless gouger, fit but for a felon's cell.

It was natural, then, that in 1922, when the National Retail Hardware Association held its convention in Chicago, this subject should be discussed. It was brought out, in the discussion "What Is Profit," that to most everyone "profit" meant the difference between the price at which the merchandise is bought and the price at which it is sold; and that in figuring percentages it was common to take the cost price as the base. For example, if a dealer bought an article for \$1.00 and sold it for \$1.50, he was said to have made 50 per cent profit; whereas he really had a "margin" of 33 1/3 per cent and may or may not have had any "profit" at all, depending on his expenses.

It isn't therefore very strange that the public should have exaggerated ideas as to retailers' profits if even the men engaged in merchandising did not correctly term their transactions.

Revising Our Textbooks

THE HARDWARE convention felt that something should be done about it. But after the effects of the loose use of the term "profits" had been discussed, cussed, and recussed, there seemed to be something more needed than a mere revision of business men's vocabularies.

Then some sage asserted that the misuse of the term "profits" goes back to the early training of children in schools. Arithmetics almost universally teach that the difference between cost and selling price of merchandise is profit. This was the germ of an idea that was to prove fruitful.

The convention adopted a resolution that was to prove more than a perfunctory gesture. The resolution reads as follows: "Knowing that the difference between the delivered cost of an article and the price at which it sells is the retailer's 'margin,' instead of 'gross profit,' as it is commonly called, and that all 'profit' is net, there being no such thing as 'gross profit' and realizing that common use of this erroneous term has given consumers an unfavorable opinion of retailers because of the large profits the use of the term implies, we urge the abolition of the term 'gross profits' in conversation, business statements and textbooks."

The first step was a campaign designed to discard "gross profit" and to set up in common use in the trade the term "margin" and to calculate both margin and profit on the basis of the retail selling price. This effort has been successful, and the hardware trade generally knows the distinction between the words.

The subject of textbooks was taken up

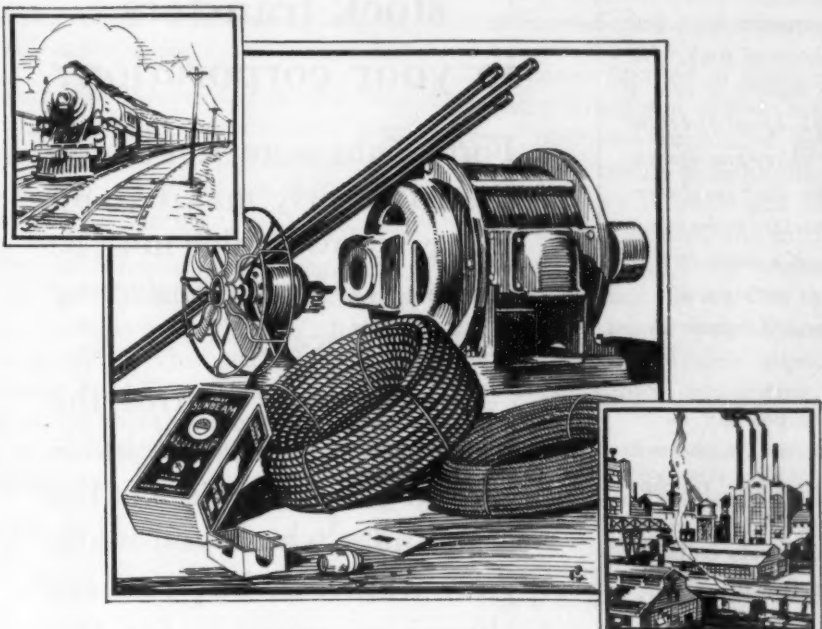
The Graybar Tag, under which
60,000 electrical supplies are shipped

SUCCESSOR TO
SUPPLY DEPT.
Western Electric

Graybar
1
QUALITY

Electrical Supplies

Graybar
ELECTRIC COMPANY



Another "Biggest" worth talking about

WE Americans talk with natural pride about the "biggest" and "greatest" things we possess. While we're on the subject of great railroads or great industrial developments, let's not overlook another field of achievement—electrical supply distribution.

The Graybar Electric Company is the largest distributor of electrical supplies in the world.

This achievement is the result of fifty-six years of steady growth, economically and efficiently serving both the men who produce and the men who use electrical supplies.

Graybar Electric Co.

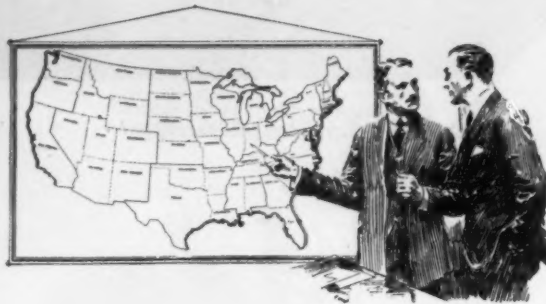
Executive Offices: 100 East 42nd Street, New York City

To officers of corporations

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3. As depositary under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.
4. As agent and depositary for voting trustees.
5. As assignee or receiver for corporations under action for the protection of creditors.
6. As fiscal agent for the payment of bonds, and coupons of states, municipalities and corporations.

Send for our booklet, *Schedule of Fees for Corporate Trust Service* or, without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



How do you handle stock transfers in your corporation?

Forty-eight state legislatures are constantly making and changing laws which must be complied with in transferring stock certificates.

You cannot control the residence of your stock holders and you cannot select the laws under which you make your transfers, but you are always responsible for the legally proper transfer of your stock.

Read the column at the left . . . then send for our booklet, *The Equitable Trust Company of New York—Transfer Agent.*

THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

MADISON AVE. at 45th ST. 247 BROADWAY
MADISON AVE. at 28th ST.

District Representatives

PHILADELPHIA: Packard Building

BALTIMORE: Keyser Building,
Calvert and Redwood Sts.

CHICAGO: 105 South La Salle St.

SAN FRANCISCO: 485 California St.

LONDON · PARIS · MEXICO CITY

Total resources more than \$450,000,000

with all the state superintendents of public instruction, the presidents of all state universities, and the leading colleges of the country.

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The dealer who ignorantly confuses a 25 per cent mark-up on cost with a 20 per cent margin based on selling price, as his expenses are necessarily figured, or who fails to properly consider all his operating costs in determining his margin and selling price, harms his fellow merchants through adverse price comparisons at the same time he does himself the injustice of incurring an actual loss while attempting to make a profit.

Educators were sympathetic but explained that they could only use the textbooks as written. The publishers said that they would revise their textbooks if copy were furnished them.

The hardware association read 110 arithmetic textbooks now in current use painstakingly. Ninety-six of them were found faulty in that examples or definitions—

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Fire Insurance Contracts

A BUSINESS man will carefully read contracts covering purchases and sales in his business, but often neglects to read the contract that protects his credit—the fire insurance policy. A close scrutiny of the terms of a policy should always be made to avoid acts that might void the policy.

The following facts are taken from a bulletin the Insurance Department of the National Chamber brings out in a study of fire insurance.

Fire insurance only pays, in case of a loss, an amount equal to the actual value of the property at the time of the fire. It is, therefore, distinctly to the advantage of the insured to review his policy from time to time to ascertain whether or not the face value of his insurance is equal to the actual value of the property.

An inventory is a good means for facilitating the establishment of losses, and care should be taken to keep it in a safe place where it cannot be destroyed. Invoices, accounts, and the like are equally necessary. Such evidence should be carefully preserved.

In the event of partial destruction of property, the policyholder will receive, within a reasonable time a sum sufficient to repair or replace the loss. An insurance company has the option of taking the property and paying for it at the appraised valuation instead of repairing it. But the abandonment of the property to the company is specifically prohibited.

To understand the provisions of fire insurance, it is important to know that although specific property is the subject of fire insurance contracts, it is the interest of the insured that is covered and not the property itself. The contract is a personal one. If the policyholder had no interest in the property, the contract would be a gambling hazard—therefore illegal.

An understanding of the principle of insurable interest will clear up much of the confused thought in regard to fire insurance. The test of insurable interest is whether or not the loss of the property would cause an actual loss to the insured. If so, insurable interest exists. It does not matter that the insured did not have an interest at the time the insurance was taken out or that it may have lapsed for a time during the life of a policy; but the insured must have an interest at the time of the loss.

A change in interest in the property except under certain conditions voids the contract. This clause is phrased so as not to

Punching Your Way to Profit--

A FEW dozen little round holes in a manila card—punched by an almost superhuman machine—the source of limitless segregations of profitable information.

The cards are Powers Cards—the machine is the Powers Automatic Key Punch. The two working together are the first step in the Powers Method of Mechanical Accounting.

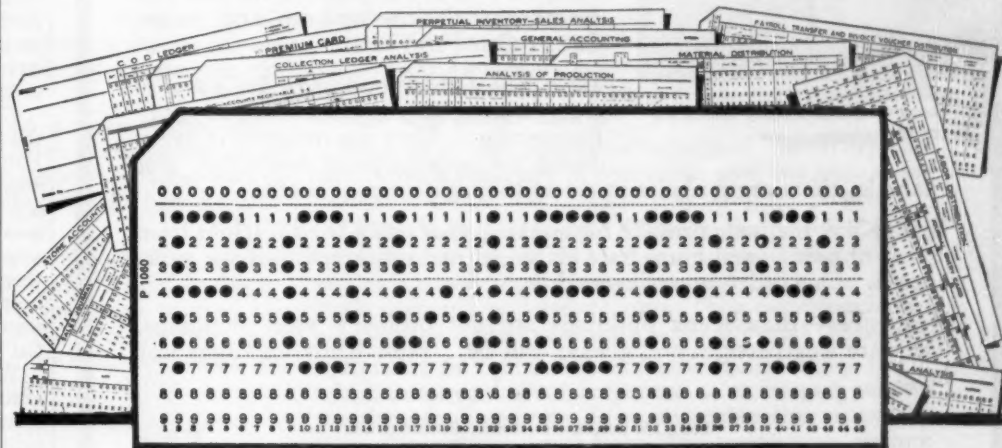
Hundreds of America's most progressive concerns are learning that punching Powers Cards is truly "punching their way to profit." This method of mechanically compiling valuable information is saving them thousands of dollars a year in actual salaries. But even more important, it is

keeping the business clear and transparent

The Powers card is the source of valuable information which is instantly available, and can be tabulated in any form that is most convenient for your purpose.

The Powers Method of Mechanical Accounting gives you a new insight into your business—unclouded by routine details. It brings to light the accurate facts necessary to guide you in steering a safe course through the intricacies of modern business. Only mechanical accounting methods bring you these facts *in time to make use of them*—and only Powers methods give you the best in mechanical accounting.

Have you had a copy of "Analyzing Sales and Production—Mechanically"? In this portfolio, fifteen representative American business organizations tell what Powers Mechanical Accounting Methods do for them. Write for it on your letterhead.



Reg. U. S. Patent Office and Foreign Countries

This trademark distinguishes the products of a company which has devoted its entire effort throughout its history to the development of Mechanical Accounting Equipment, which is now recognized as standard by executives of leading business organizations.

POWERS ACCOUNTING MACHINE CORPORATION

115 Broadway

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New York, N. Y.

District Offices in Principal Cities Throughout the U. S. A.

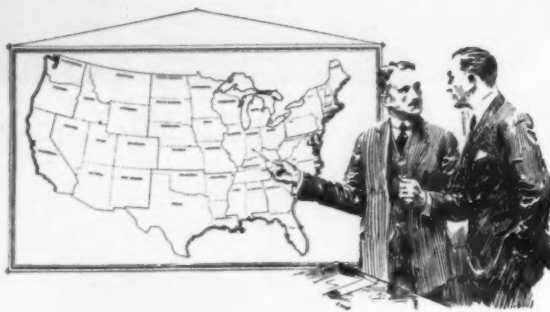
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Forty-eight state legislatures are constantly making and changing laws which must be complied with in transferring stock certificates.

You cannot control the residence of your stock holders and you cannot select the laws under which you make your transfers, but you are always responsible for the legally proper transfer of your stock.

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Fire insurance only pays, in case of a loss, an amount equal to the actual value of the property at the time of the fire. It is, therefore, distinctly to the advantage of the insured to review his policy from time to time to ascertain whether or not the face value of his insurance is equal to the actual value of the property.

An inventory is a good means for facilitating the establishment of losses, and care should be taken to keep it in a safe place where it cannot be destroyed. Invoices, accounts, and the like are equally necessary. Such evidence should be carefully preserved.

In the event of partial destruction of property, the policyholder will receive, within a reasonable time a sum sufficient to repair or replace the loss. An insurance company has the option of taking the property and paying for it at the appraised valuation instead of repairing it. But the abandonment of the property to the company is specifically prohibited.

To understand the provisions of fire insurance, it is important to know that although specific property is the subject of fire insurance contracts, it is the interest of the insured that is covered and not the property itself. The contract is a personal one. If the policyholder had no interest in the property, the contract would be a gambling hazard—therefore illegal.

An understanding of the principle of insurable interest will clear up much of the confused thought in regard to fire insurance. The test of insurable interest is whether or not the loss of the property would cause an actual loss to the insured. If so, insurable interest exists. It does not matter that the insured did not have an interest at the time the insurance was taken out or that it may have lapsed for a time during the life of a policy; but the insured must have an interest at the time of the loss.

A change in interest in the property except under certain conditions voids the contract. This clause is phrased so as not to

Punching Your Way to Profit--

A FEW dozen little round holes in a manila card—punched by an almost superhuman machine—the source of limitless segregations of profitable information.

The cards are Powers Cards—the machine is the Powers Automatic Key Punch. The two working together are the first step in the Powers Method of Mechanical Accounting.

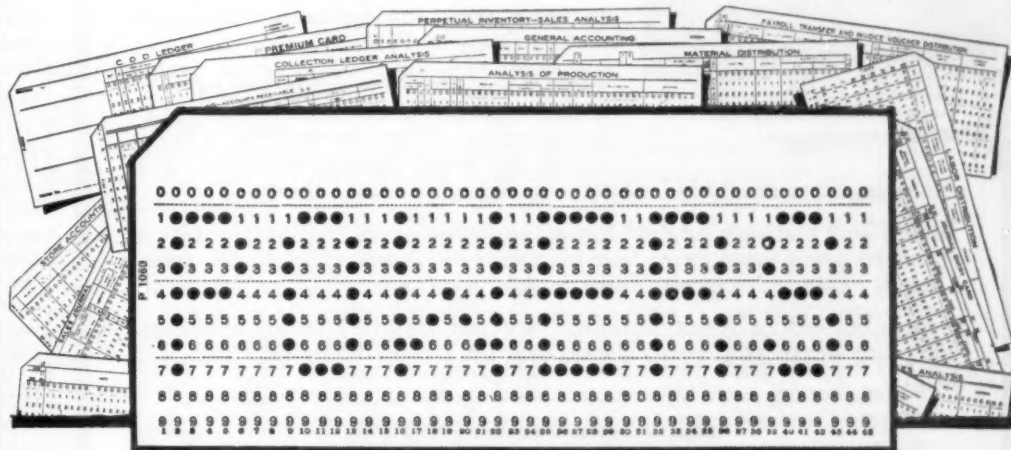
Hundreds of America's most progressive concerns are learning that punching Powers Cards is truly "punching their way to profit." This method of mechanically compiling valuable information is saving them thousands of dollars a year in actual salaries. But even more important, it is

*keeping the business clear
and transparent*

The Powers card is the source of valuable information which is instantly available, and can be tabulated in any form that is most convenient for your purpose.

The Powers Method of Mechanical Accounting gives you a new insight into your business—unclouded by routine details. It brings to light the accurate facts necessary to guide you in steering a safe course through the intricacies of modern business. Only mechanical accounting methods bring you these facts *in time to make use of them*—and only Powers methods give you the best in mechanical accounting.

Have you had a copy of "Analyzing Sales and Production—Mechanically"? In this portfolio, fifteen representative American business organizations tell what Powers Mechanical Accounting Methods do for them. Write for it on your letterhead.



Reg. U. S. Patent Office and Foreign Countries

This trademark distinguishes the products of a company which has devoted its entire effort throughout its history to the development of Mechanical Accounting Equipment, which is now recognized as standard by executives of leading business organizations.

POWERS ACCOUNTING MACHINE CORPORATION

115 Broadway

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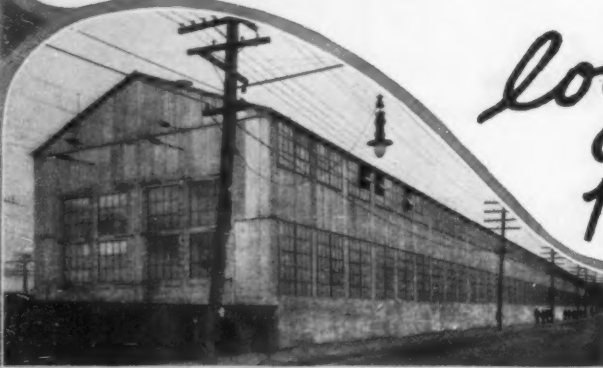
New York, N. Y.

District Offices in Principal Cities Throughout the U. S. A.

When writing to the POWERS ACCOUNTING MACHINE CORPORATION please mention Nation's Business

BLAW-KNOX STEEL BUILDINGS

*Lowest
cost
per year*



Blaw-Knox Multiple Unit Inspection Shed. Erected for the New York, New Haven and Hartford Railroad Company at Stamford, Conn.



Handy Houses



Interior of building used as weaving department at Western Penitentiary



Interior of Blaw-Knox building erected for the Copper Clad Steel Company Rankin, Pa.

"All Purpose"

The Blaw-Knox Standard Steel Building is time saving, economical construction for the smallest handy house or the largest plant layout.

Standard design of proven worth and quantity production, together with the use of copper bearing galvanized steel sheets, is a combination of method and material that makes possible low first cost together with low up-keep and means *Lowest-Cost-Per-Year*.

Blaw-Knox steel buildings are easy to erect, coming to you from stock all ready for erection. They are designed in every detail for weatherproof stability. For

example, there are no bolts or rivets through the roof sheets.

Blaw-Knox methods provide for meeting your exact specifications from standard parts—and immediate shipment and quick erection are guaranteed. One order covers everything.

Remember—Blaw-Knox buildings are not ordinary steel buildings. They are weathertight and always will be. Blaw-Knox buildings last long.

Send for descriptive literature and prices
BLAW-KNOX COMPANY, PITTSBURGH, PA.
632 FARMERS BANK BUILDING

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BUFFALO
CHICAGO
BIRMINGHAM
DETROIT

BLAW-KNOX

All purpose, one story Buildings

BALTIMORE
CLEVELAND
310 UNION BLDG.
PHILADELPHIA
COLONIAL TRUST
BLDG

CHECK THE TYPE WHICH SUITS YOUR NEEDS



BLAW-KNOX COMPANY, PITTSBURGH, PA.

Without obligation, send me your literature. We have in mind a building.....ft. long
.....ft. wide to be used for.....
Name.....Address.....

When writing to BLAW-KNOX COMPANY please mention Nation's Business

prevent the executor, administrator, or heirs of an estate from obtaining the benefits of insurance taken out by the deceased or to cause unnecessary annoyance to the lessor. The contract being a personal one between the insured and the company, it is necessary to secure the agreement of the company to the assignment of the policy. Of course, after a loss the policy may be assigned just as any other debt or assignable property.

Like other contracts, a fire insurance policy is based on good faith and any fraud or concealment of material facts voids it. The contract is made on a basis of conditions prevailing at the time of writing. Any change in conditions to increase the possibility of fire, burdens the company with a risk they did not assume in the first place and could not afford to carry at the original premium.

Since under the laws of some states the contract is permanently voided and in others suspended during the existence of such conditions, it behooves the policyholder to notify the insurance company, and secure its consent to any change in conditions of this nature.

The clauses in the contract relating to alteration and repair, the carrying of explosives or gas, the overtime or cessation of work in plants, demolition or any other abnormal condition should be clearly understood by policyholders.

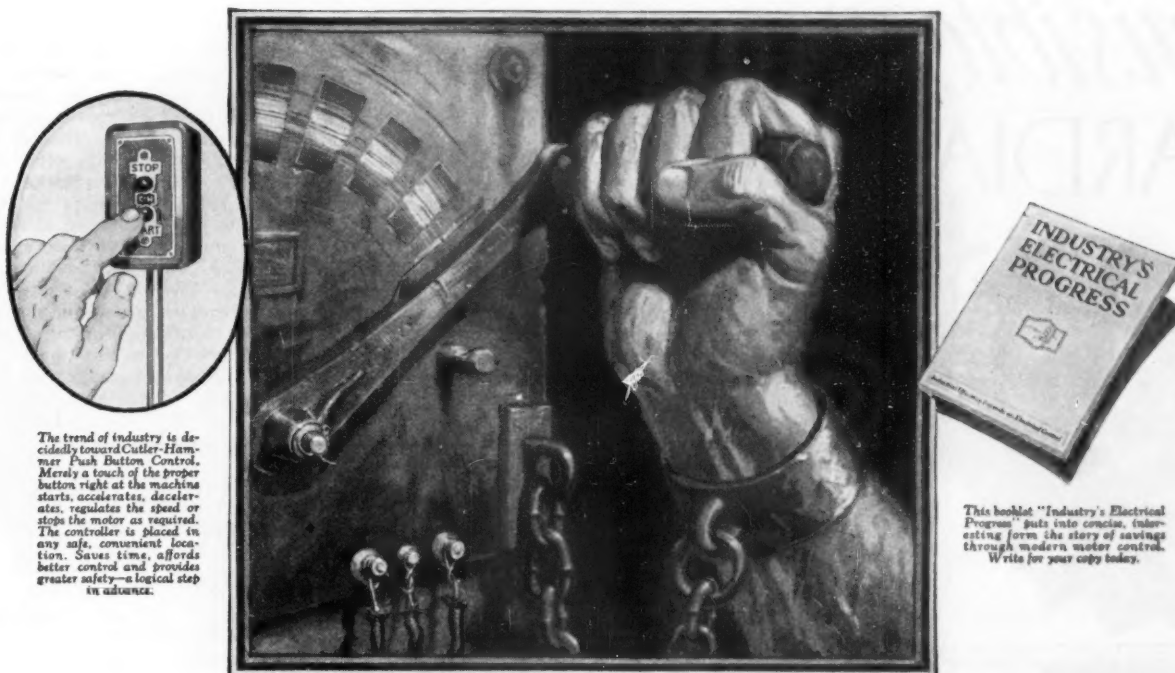
Mass Production of Distance Calls

TO FACILITATE buying or selling by long-distance telephone, many business concerns now furnish the telephone people lists of those with whom they wish to talk more or less regularly. Long-distance calls filed in this way are known as "sequence calls." Tickets for each name are made in advance of the calling with all the information necessary. After such a list is filed it is only necessary, in the larger cities, to call the "sequence clerk" and ask to have calls made to those on the entire list or parts of it.

Calling by sequence usually starts early in the business day. A large fish dealer of the Fulton Fish Market, New York City, starts selling his product about 6:30 in the morning. There is keen competition in this business. On some calls the operator occasionally reports, "Refuses to talk." The dealer then knows that his prospect has already been sold and a connection would merely waste time and money. Speed is an essential of satisfactory service to these dealers.

Wholesale produce dealers are another group who are extensive users of sequence service. Many of these firms have their calls coded by number. The "sequence clerk" at the long-distance office is called and a request made to talk on calls 1, 3, 5, 8, 11, etc. Talking can be started almost immediately. Assigning a code number to each ticket aids the operator, especially when calls are placed to persons or firms with such names as Cicolella, Karnofsky, Bergerhof, Aiello and Infusino.

Financial houses are regular users of sequence service in floating large issues of securities. Calls are made to banks throughout the country from Portland, Maine, to Seattle, Washington. A mid-western financial house in bringing out a new bond issue filed 47 calls. Of this number 45 were talked on, resulting in over \$82,000 worth of securities sold.



The trend of industry is decidedly toward Cutler-Hammer Push Button Control. Merely a touch of the proper button right at the machine starts, accelerates, decelerates, regulates the speed or stops the motor as required. The controller is placed in any safe, convenient location. Saves time, affords better control and provides greater safety—a logical step in advance.

This booklet "Industry's Electrical Progress" puts into concise, interesting form the story of savings through modern motor control. Write for your copy today.

Industry cannot afford this penalty!

Obsolete motor control takes a staggering toll from many so-called modern plants

ARE labor costs high?

Decidedly so in the plants where labor is shackled to obsolete equipment! It is an overwhelming handicap in the face of competitive conditions today.

This is especially true in the case of motor control equipment. For modern motor control saves where saving counts the most—in the wasted time of labor. And labor cost in practically every industry is usually the major item of manufacturing expense.

Too, it has been easy for plants to fall behind the progress made in the perfection of motor control. Paralleling the increased use of electric power in industry, this progress has been swift and tremendous. Since 1905 the electricity used for industrial power has increased 3000%. In the last ten years alone, it has multiplied by six.

Has industry's electrical progress left your plant behind?

Cutler-Hammer engineers have steadily kept motor control equipment abreast of industry's demands. And each new application—each new problem solved has proved a step nearer maximum economy in production.

Industrial executives today realize that it is high time to determine where their equipment stands in this race for lowest costs. The use of motors is practically universal in industry. Their advantage now lies in the labor saving obtained through their proper control.

Someone in your plant *must* investigate! To add to profits now through economies in production gives any plant an advantage in competition. To wait only postpones progress.

Call in the Cutler-Hammer field engineers! They will gladly counsel with your plant men or consulting engineers in making a survey of your motors to point out places where modern control will reduce costs. Their recommendations are based on control experience as old as motors themselves.

Demand the C-H trademark on the equipment you buy in which motor control is incorporated as an integral part. In the planning of any new drives, remember that motors by themselves are only brute force. The savings they produce depends on the effectiveness of their control.

The CUTLER-HAMMER Mfg. Co.

Pioneer Manufacturers of Electric Control Apparatus

1251 St. Paul Avenue

Milwaukee, Wis.

CUTLER-HAMMER

Industrial Efficiency Depends on Electrical Control

Invisible- GUARDIANS



When your Structural Strength Safe rolls into your office—Your Place of Business—with it comes an invisible guardian—ship—an ease of mind that money cannot otherwise buy. Built into the steel and structure of this safe is 24-hours-every-day PROVEN dependability!

Structural Strength Safes have passed the experimental stage! Twelve years on the test block of experience in actual fires of smelting heat—in burglary attempts where others failed—Globe-Wernicke Structural Strength Safes kept faith.

Phone your dealer for a copy of "Proofs of Performance"—or mail coupon today.

Globe-Wernicke

The Globe-Wernicke Co., Cincinnati, O., N9.

Gentlemen: How many businesses fail through fire? Mail copy of "Proofs of Performance."

Name.....

Address.....

City.....State.....

Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

IF THE rulings of the Commission in regard to "Philippine Mahogany," were carried to their logical conclusion the name of Douglas Fir would be False Hemlock, Poplar would be known as Tulip, and many other changes would be initiated that would "injure if not destroy, one of the greatest industries in this country," according to Commissioner Humphrey.

Three "cease and desist" orders are of particular interest to the lumber industry as a whole. The rulings involve the use of the term "Philippine Mahogany" as applied to wood which is not genuine mahogany as generally understood by dealers and the general public. A New York City, a San Francisco, and a St. Louis company were the subjects of identical orders prohibiting the selling or advertising under the term "Mahogany" or "Philippine Mahogany" of any wood but that derived from trees of the *Meliaceae* family. Commissioner Humphrey dissented (Dockets 1316, 1332, 1281).

According to the findings, the wood sold by the companies as mahogany grows in and is imported from the Philippine Islands. The common names of the commercial varieties are Lauan and Tanguile, scientifically known as *Dipterocarpaceae*. It is found that this wood is much more porous than genuine mahogany and that, though in the finishing the appearance of genuine mahogany is simulated, in time the filling shrinks into the pores and thereafter the wood presents an appearance much inferior to the genuine mahogany.

No species of the mahogany tree family grow in the Philippines, and the several woods sold as "Philippine Mahogany" are the products of different tree families, neither of which are more closely related to the mahogany tree family than are the birch and oak, the Commission explains.

Commissioner Humphrey in his dissenting opinion said that if the majority is consistent they "will at once proceed against the Mahogany Association for using the term 'African Mahogany,' as this wood, like the Philippine product, is not mahogany botanically."

He argues that no public interest appears in this case, defining his position with saying that,

The reason of complaint herein is not because the user does not know what he is buying, but because he does know. It is a controversy entirely between the Mahogany Association and the users of Philippine Mahogany. There is no substantial evidence that any ultimate consumer has either been deceived or has complained that he has been defrauded...

If we lay down the rule that it is false

and misleading to describe woods commercially other than what they are botanically, we will injure, if not destroy, one of the greatest industries in this country.

One of the finest woods in the world, that furnishes more of the timbers used in construction today than any other is the Douglas Fir of the Pacific Northwest. It is known by this name throughout the world and by this name its qualities are well understood. Botanically this wood that enters so largely into the commercial life of a nation is a false hemlock. There is a widespread prejudice against hemlock, because of the qualities of the wood in the East. For the lumber producers of the Northwest to be compelled to mark their product under its botanical name—False Hemlock, would be to work incalculable injury to the industry. . . .

To use the terms, Philippine Mahogany, Douglas Fir, Red Cedar and Poplar is to correctly define these woods commercially, and gives to the dealers and to the public generally the correct idea of their qualities and value. If you describe them botanically, it is safe to say that not 5,000 people in the United States would know what was meant. I can think of no proposition more absurd than to compel the use of the botanical names of these woods upon the theory that it will protect the public from false and misleading statements. Why should we use the restricted and scientific and highly

technical names known by a few, and refuse the common ordinary names, understood by all. . . .

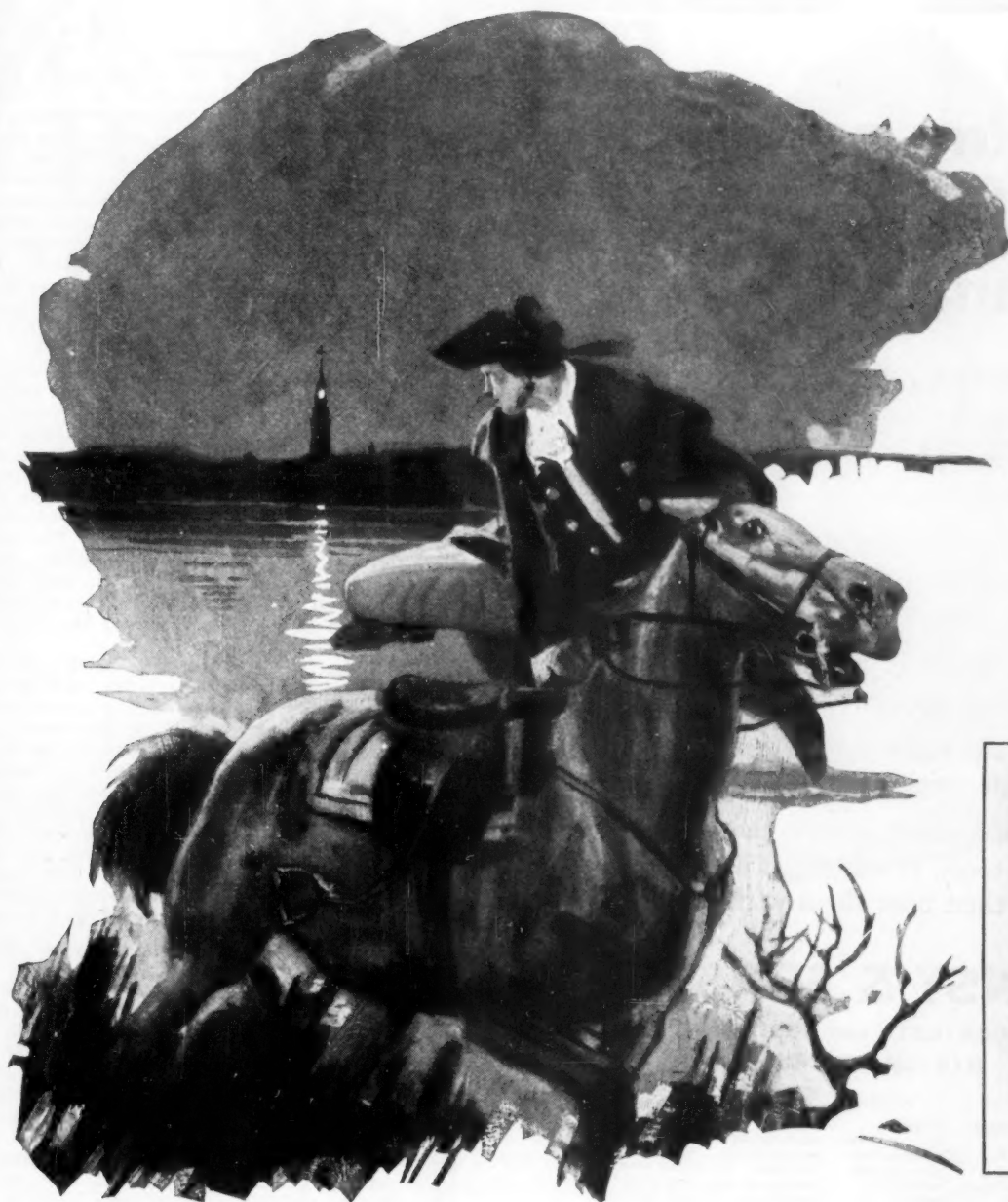
The majority lay down the proposition that the buyer must be told the truth—a perfectly correct one and one that I endorse, but when you chase this common sense idea into the clouds of scientific nomenclature, until not one person in a million, without consulting an encyclopedia, a botanist and a chemist, would know whether a word used to describe the wood in a kitchen chair, is the name of a seasick remedy, a new planet, or a divorcee screen star, it seems to me that the proposition in some slight degree "recoils upon itself."

The sum of the Commission's case is that the purchaser of this wonderful and beautiful wood will be deceived and defrauded unless he is told that it is *Dipterocarpaceae*, a proposition so plain that only the intelligent will dispute it.

SIXTY-EIGHT firms have refused to subscribe to the rules formulated and adopted at a Trade Practice Submittal held in New York with the retail furniture trade.

Briefly the rules are: that furniture in which the exposed surfaces are of one wood shall be designated by the name of the wood, and that furniture in which the exposed surfaces are of more than one kind of wood shall be designated by the names of the principal woods used.

Several of the more important interpretations are here briefly summarized. Exposed surfaces mean those parts which are exposed to view when the piece of furniture is placed in posi-



A Paul Revere Signalevery time you telephone



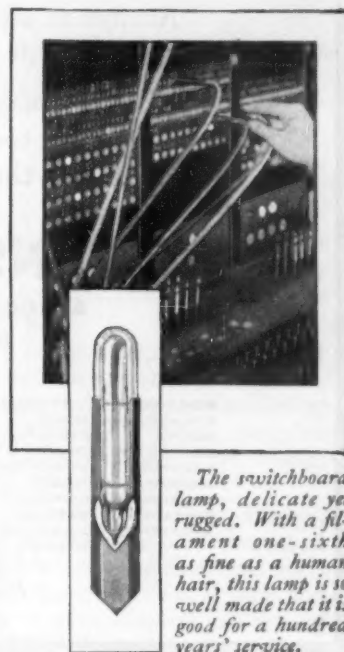
Back of
your
telephone

The signal lamp in Old North Church flashed its message to Paul Revere. So the lamp in a telephone switchboard signals the operator when you lift the receiver off the hook.

This tiny switchboard lamp, with over ten million like it, is a vital part of the nation's telephone system—a little thing, but carrying a big responsibility. As your representative at the telephone exchange

it instantly summons the ever alert operator to answer your call.

Making these lamps, millions of them every year, is one of the many Western Electric functions. From lamp to switchboard, every one of the 110,000 individual parts must be carefully made and fitted together to do its share in the vast telephone plant—a manufacturing job unequalled in diversity and intricacy.



The switchboard lamp, delicate yet rugged. With a filament one-sixth as fine as a human hair, this lamp is so well made that it is good for a hundred years' service.

Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM

When writing to WESTERN ELECTRIC please mention Nation's Business

Nothing can take the place of Good Management

System, Method, Equipment, Capital and other such essentials of business are never substitutes for brains.

They are only *tools*.

None of them can take the place of Management any more than brush, paint or canvas can take the place of art.

Their usefulness is determined by the ability of Management.

Always at the top must be the power to think, decide, initiate, direct and control.

Good Management seeks a complete kit of the best tools. It recognizes and selects the best—then uses them with skill.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	CHICAGO	NEW ORLEANS
PHILADELPHIA	AKRON	GRAND RAPIDS	MILWAUKEE	JACKSON
BOSTON	CANTON	KALAMAZOO	MINNEAPOLIS	DALLAS
PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FORT WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
WASHINGTON	CINCINNATI	ATLANTA	DENVER	WACO
BUFFALO	DAYTON	MIAMI	ST. LOUIS	SAN FRANCISCO
ROCHESTER	LOUISVILLE	TAMPA	KANSAS CITY	LOS ANGELES
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TOTALLY DIFFERENT Hauserman MOVABLE STEEL PARTITIONS EASILY WIRED

All electric wires entirely concealed and always accessible—an exclusive advantage. Branches in principal cities. Send for literature.

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tion for use; when represented as solid, it shall be of solid wood of the kind or kinds designated. If the veneer of the exposed surface is of the same kind of wood as that of the framework it may be designated as a wood of that particular kind; if the veneer is of a different wood, the furniture shall be described as veneered. A wood popularly regarded as of lesser value, if its use is essential to the construction, need not be named if "less than a substantial amount" is used on exposed surfaces. A wood popularly regarded as of higher value shall not be named if "an insubstantial amount" of that wood is used, except when used for decoration and so described. Designations shall be made in the caption or body of each particular description without qualification elsewhere. The above rules do not apply to antique furniture.

The National Retail Dry Goods Association at its convention approved the rules and urged their adoption and use by all members. Desire to describe their goods truthfully and in accord with the rules of the submittal has been indicated by seven hundred and seventy-two manufacturers. A list of these dealers has been published as well as a list of the sixty-eight firms refusing to subscribe. The members of the Jamestown Furniture Market Association subscribed almost unanimously. Practically all the sixty-eight firms based their objection to the agreement on the rule about veneered furniture.

Francis D. Campau appeared for the Grand Rapids Furniture Association and stated its position. He said there is a stigma attached to the word "veneered" by the general public and that manufacturers should not be required to designate veneered furniture as "veneered." The Commission does not believe the objection is sound, and has denied the petition of the Association that the hearings be reopened. All concerns, therefore, who continue to describe their products contrary to the rules, including those not describing veneered furniture as veneered will be investigated and complaints issued.

TO COORDINATE and facilitate the holding of conferences for the elimination of harmful or unfair business practices the Commission has established the Division of Trade Practice Conference. This division will not only extend and enlarge the scope of future conferences but will also give attention to the operation of rules already adopted.

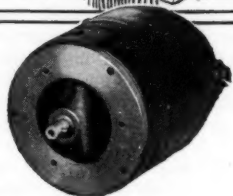
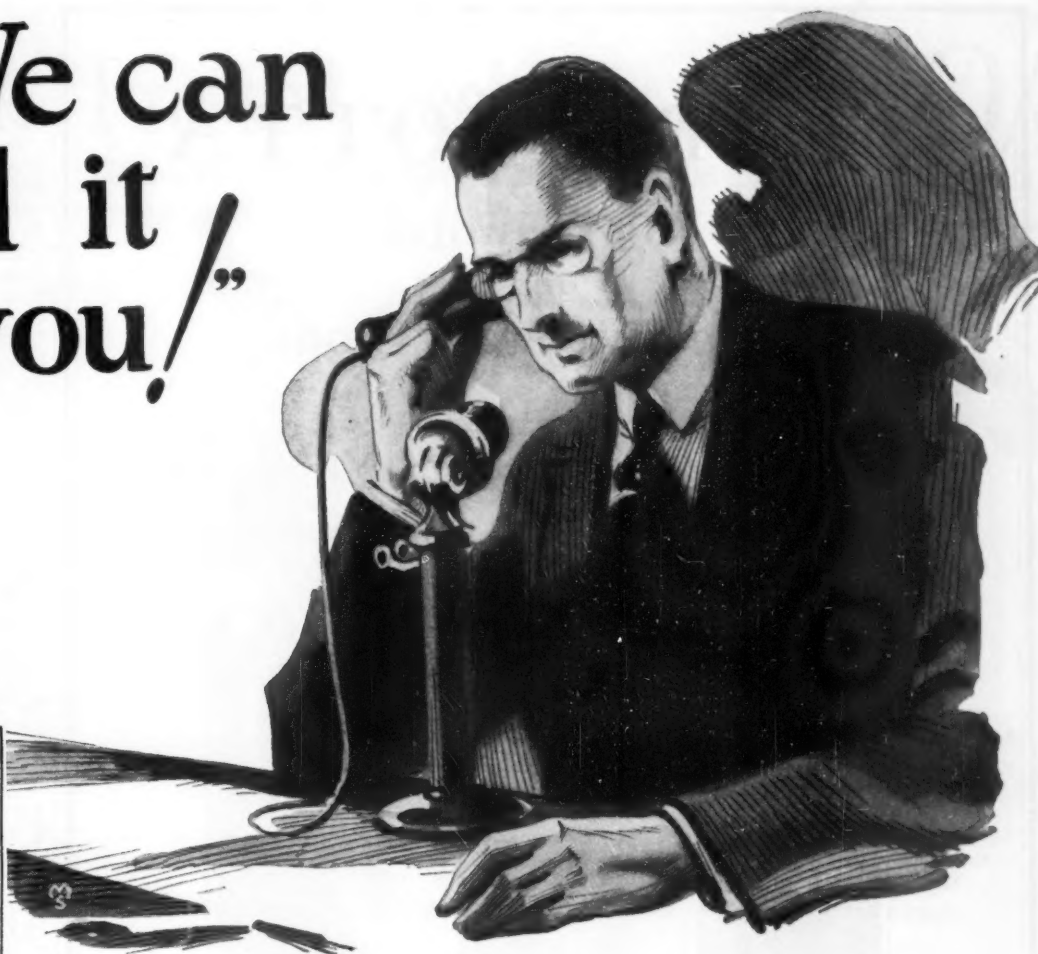
Conferences, or "trade practice submittals" as they have been designated, may be called by the Commission on its own initiative or by a representative group in any industry. Unfair methods of competition may spread rapidly and become the general practice, particularly in highly competitive lines of business, the Commission explains in giving its belief that a situation of that sort can best be handled through a conference rather than by proceeding against individual concerns. Among the industries that have participated in these conferences are the creamery, furniture, knit goods, typewriter, oil, jewelry, music, book, printing, and cotton industries. The proceedings are reported in a pamphlet published by the Commission.

The Commission believes that the trade practice conference provides an expeditious and economical means of eliminating any unfair methods that may prevail in an industry, because its representatives can assemble for the definition of the unfair practices, and then accomplish their abandonment at a fixed time, this voluntary and simultaneous action putting all competitors on an equal footing.

Appraising the success of this method, the Commission argues that it saves the cost of many trials, induces moral support and actual assistance from industries in enforcement of the rules adopted, and accomplishes at a minimum of cost and time one of the chief purposes for which the Commission was created.

This extension of the methods of handling trade practices accords with the new policy of the Commission to adjust and to correct trade

"Yes—We can Build it for you!"



CUSTOMERS of the Domestic Electric Company buy not a product, but an engineering service of which the product is only a part.

Before an order for Domestic fractional horsepower motors is placed, before a penny is spent, our engineers study the appliance or machine for which it is to be built; investigate the market it is to serve; determine the conditions under which it must operate; take into account every special requirement of current, starting torque, operating load, temperatures and speeds.

These same engineers supervise, in our own laboratories, development of the special Domestic motor that exactly meets every requirement. Personally, they super-

vise its construction, and test it under practical operating conditions. They lay down the specifications by which it is manufactured.

And after a motor is in production, these same men, serving as our field engineers, are in contact with the manufacturer to fit the application into his production plan—to assure perfect installation and trouble-free service.

Scores of new and improved applications for electric motors have been developed in the past few years by Domestic Electric research engineers. Their time and energy are at your disposal. A line of inquiry will call them into your factory for a frank discussion of motor applications to your specific production and selling problems.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Ave. CLEVELAND, OHIO

Manufacturers of fractional horsepower motors exclusively

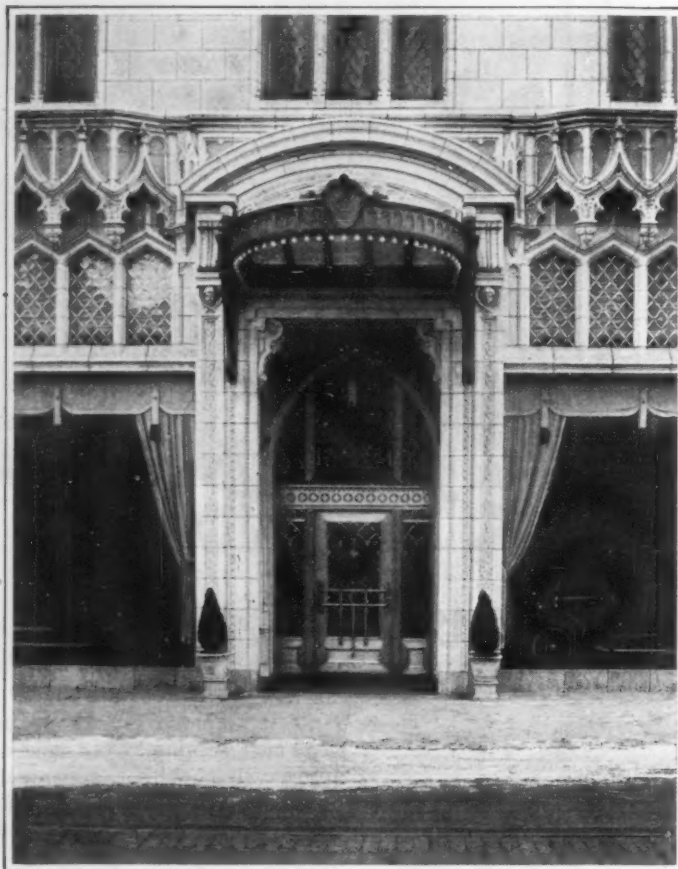
Domestic Electric Motors

CLIP THIS COUPON AND SEND IT
NAME _____
STREET _____
CITY _____
The Domestic Electric Co.
7209-25 St. Clair Ave.
Cleveland, O.
(77-ND)

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business

TERRA COTTA

For Beautiful
and
Distinctive Store Fronts



Entrance, Burnstine Motor Sales Building, Chicago, Ill.,
R. B. Kurzon, Architect. Faced with light cream
mottled glazed Terra Cotta

MERCHANTS everywhere will find in Terra Cotta the ideal material for giving architectural beauty and distinction to their store fronts. Send for our booklet on this class of buildings showing many beautiful examples.

NATIONAL TERRA COTTA SOCIETY
19 West 44th Street New York, N. Y.

(On behalf of the Terra Cotta Industry in the United States)

practices by conferences and agreements rather than by formal complaints wherever it can be done and the interest of the public protected. By this method, the Commission believes, more cases can be handled, and more expeditiously and economically than by formal complaint.

Under the trade practice conference procedure, a preliminary inquiry is made, the result of which serves as a basis for determination whether the interest of the public is best served by proceeding against individual offenders or by calling a trade practice conference. The Commission will then be advised through the new division regarding the facts and the law, with a recommendation as to any action to be taken. If the Commission determines to hold a trade practice conference, representatives of the industry involved are assembled at a place and time specified. When the industry has defined and adopted new rules, a full report of the conference, including the names of the industrial representatives, the degree of representation, and other essential information will be made to the Commission by the division. If adopted or sanctioned by the Commission, the action of the industry becomes that industry's rule of business conduct.

The findings of industrial representatives assembled in trade practice conference, condemning a business practice, are available to the Commission for use as evidence in any proceeding directed to an individual member of the industry who fails or refuses to abide by the rules of conduct laid down by the industry, or who indulges in practices condemned by the industry and the Commission as unfair.

IN ORDER to take additional testimony in the case of a baking powder manufacturer charged with disparaging the products of competitors and with making false and misleading statements, the Commission vacated its previous order dismissing the case (Docket 540).

The case is reopened solely for the purpose of taking testimony in regard to misleading advertising, anonymous advertising, the circulation of erroneous extracts from a cook book, and not to take any evidence in regard to statements made by the respondents in regard to the deleteriousness of alum baking powder.

Commissioner Van Fleet refrained from voting and made the following statement:

I refuse to vote because it is apparent that a majority of the full Commission will be in favor of the motion to reopen the case. I am still of the opinion first, that the Commission has no jurisdiction to set aside its dismissal, and second I think the procedure is irregular and that the matters presented before the Commission have been presented in an irregular way and not according to our procedure as provided by law and the rules and procedure of the Commission.

MISBRANDING silver plated ware is the cause of eleven separate "cease and desist" orders issued by the Commission against manufacturers who have indulged in this practice.

Using the word "Sheffield" either alone or in combination with any other word or words, device, or symbol is specially forbidden to four concerns in New York; one in Muncie, Indiana; one in Taunton, Massachusetts; and one in Brooklyn, New York.

Unless silverware has been coated or plated with silver four times or has had a single coating, equivalent in amount and quality to that formerly obtained by four coatings, the word "Quadruple" alone or in combination must not be used. A firm in Taunton, Massachusetts, and one in East Syracuse, New York, are required to discontinue this practice.

A firm in New York City is required to discontinue both practices described in the preceding two paragraphs.

"Dutch" or "Dutch Silver" must not be used in connection with the sale of silver-plated ware not made in Holland the Commission orders. A firm in New York City must not only discontinue this practice, but must also

discontinue the use of the words "Sheffield" and "Quadruple."

The Commission found that in all of the cases the practices, ordered to be discontinued, mislead and deceive the public, and are unfair to competing concerns who do not misbrand their products.

A CORRESPONDENCE school in Philadelphia must discontinue certain practices that erroneously give the impression that it is connected with the Civil Service Commission of the United States Government (Docket 1354). The school tutors those who wish to take Civil Service examinations.

The Commission found that the catalogue of the school tended to give the impression that the school was connected with the government. This practice not only deceives student customers but is also prejudicial to competing schools, the Commission believes.

The order in this case states that "Civil Service" as a part of a trade name or upon any sort of advertising must not be used.

Publishing or circulating statements that the school is in any way connected with the Government, that the Government is in need of employees to be selected, appointed, and employed from the register of eligibles of the United States Civil Service Commission, that the Government is seeking employees through the school, that the school's customers will secure employment from the Civil Service Commission, that examinations prescribed by the Civil Service Commission are pending when not announced by the Civil Service Commission, are forbidden in the "cease and desist" order.

DURING the month there were eleven dismissals. A manufacturer of unfinished metal jewelry sundries of New York was charged with misbranding some of his merchandise (Docket 1226). The case was dismissed without prejudice, not because the Commission approved the practices charged, but because it is the Commission's understanding that the concern has gone out of business.

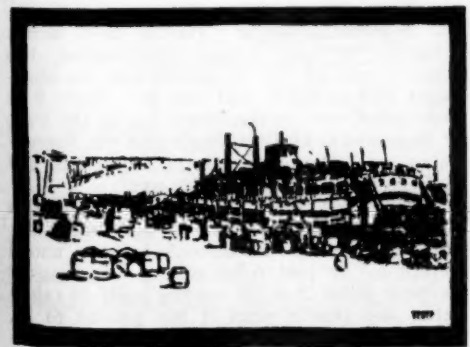
Complaints against a Chicago firm and a Boston firm were dismissed (Docket 775). The respondents were charged with lessening the competition in the sale of leather.

Four complaints against companies charged with making false and misleading representations in advertising stock for sale in the respective companies were dismissed without prejudice (Dockets 988, 1028, 956, 960). Two companies were located at Fort Worth, Texas, one at El Dorado, Arkansas, and the fourth at Wichita Falls, Texas.

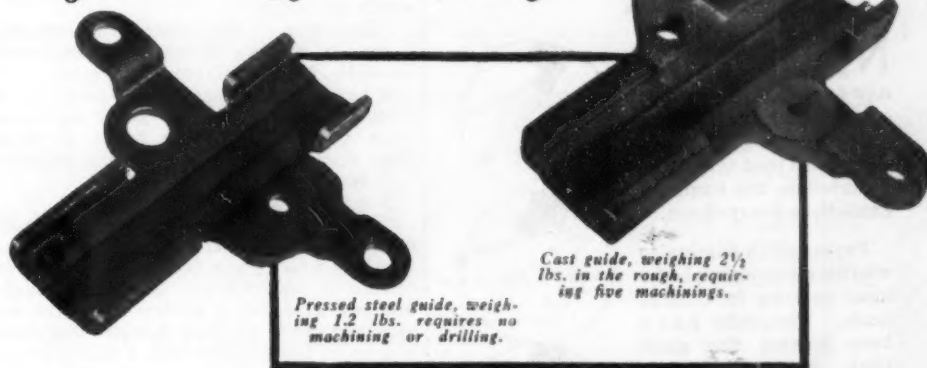
Three complaints against New York City concerns, charging them with misbranding silver-plated ware have been dismissed because the companies have discontinued business (Dockets 1131, 1158, 1162).

Complaints against two New York furniture dealers were dismissed because they both signed the trade practice submittal, reported elsewhere in this department (Dockets 1338, 1339).

AN ORDER was issued by the Commission requiring a Chicago firm to divest itself of the stock of a creamery company in Tempe, Arizona; and of another, in Eau Claire, Wisconsin (Docket 455).



Pressed steel cuts cost 60% and delivers a complete part for the price of machining former casting



Pressed steel guide, weighing 1.2 lbs. requires no machining or drilling.

Cast guide, weighing 2½ lbs. in the rough, requiring five machinings.

MANY of the savings effected by pressed steel redevelopment are amazing. In fact, if we didn't have the figures before us it would be hard to believe them ourselves.

An example of some of the extraordinary savings made by pressed steel is the cam bar guide used by an equipment manufacturer. The casting used by the manufacturer for this part required five distinct machining operations. When the part was "pressed from steel instead" it cost less than the machining alone—not including the price of the rough casting!

Pressed Steel reduced the cost of the guide sixty percent! Imagine how a 60%—even a 30%—saving on some of the cast parts you use would help you meet present day competition! A casting redeveloped into pressed steel may save you thousands of dollars a year, and at the same time give you a stronger, lighter part!

Our redevelopment engineers are ready to help cut the cost of the parts you use. Many of the savings that pressed steel produces can be secured right at the start if you let us work with your engineers on the original design of any new machine you may be developing.

THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio
New York—501 Fifth Ave. Chicago—927 Straus Bldg.

"Pioneers in Pressed Steel Redevelopment"

Also manufacturers of Metal Lath, Expanded Metal, Corner Beads, Channels, Steel Basement Windows and Coal Doors.



Adventures in Redesign—The example here is only one of the hundreds of pressed steel redevelopments we have made. "Adventures in Redesign" is a booklet that relates equally remarkable instances wherein "pressing from steel instead" has cut costs, reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. Ask your secretary to mail the coupon today.

"Press It from
Steel Instead"



The Youngstown Pressed Steel Co., Warren, Ohio
Please send me a free copy of "Adventures in Redesign."
Name.....
Company.....
Street.....
Town.....State.....N.B. 8-26

When writing to THE YOUNGSTOWN PRESSED STEEL CO. please mention Nation's Business

the shortest to a cut sharp point

NICK—loosen strip—pull! There's your new point in three seconds—without leaving your seat or wasting a grain of the superb lead that keeps Blaisdell in the hands of executives everywhere.

Paper, which eliminates whittling and waste, is the ideal covering for colored leads. Blaisdells have been proving this since 1893. In all that time these original paper pencils have never been rivaled for firmness, smooth writing and brilliancy of color.



Many Jobs for Colored Pencils

ALWAYS use a Blaisdell of the same color, then its mark will symbolize you and your authority. In concerns where each official adopts a different color, the handling of papers is greatly expedited.

Blaisdells in both regular and thin leads are sold at your stationer's in all desirable colors. A metal device that sharpens them with a single motion is now packed with each dozen.

Blaisdell

THE PIONEER PAPER PENCIL

Send for booklet and two pencils

BLAISDELL PENCIL CO., Philadelphia, Pa.
Please send me two Blaisdells, one regular and one thin lead, and booklet, "Efficiency Uses for Colored Pencils." I enclose 10c to cover packing and postage. N1

Name:

Street:

City:

State:

224,000

business men like yourself
are reading this number of

NATION'S BUSINESS

Have you something to sell
to this audience?

Let our advertising department
furnish you facts and figures

NATION'S BUSINESS

WASHINGTON, D. C.

Business Views in Review

By WM. BOYD CRAIG

TWO contrasting comments on the work—or rather the lack of it—of the late Congress stand out.

The first remark is from *Wallaces' Farmer*, via the *Rural New Yorker*, which thought it worth reprinting:

"The action of the Senate on the export plan is not so much a defeat as a postponement. Equality for agriculture is coming . . . there will be no compromise in this fight, no weakening. Those who have given agriculture a stone when it asked for bread at breakfast time, may find themselves eating pebble pudding for supper."

The second is from *Coal Age*:

"The adjournment of Congress without the enactment of any coal legislation was a triumph for those who believe further government interference in industry can only be harmful. It was not, however, a victory where the victors may rest safely on their laurels. Far from it. Success in this instance was a matter of political chance—not the reward of merit or a just cause. The disappointed proponents of federal regulation will be just as eager to press the fight next winter as they were this spring. Postponement has not discouraged them."

And, further:

"Above all, there must be a keen sense of the industry's responsibility to the public and an eager recognition of the opportunities for further and better service to the nation. If business can set concrete achievements against political pretensions of an industrial millennium under an era of bureaucracy, clamor for legislation will awaken no response among the citizen Warwicks who make and unmake Congresses. Service to the public is the real test. Men who are proud of their calling will neither sleep on their obligations, evade an accounting of their stewardship nor shrink from battling for their freedom."

Production Alone Pays Wages, Says Building Trade Journal

PAUL W. LITCHFIELD, president of the Goodyear Tire and Rubber Company, made the statement before the recent annual convention of the Chamber of Commerce of the United States that wages can be paid only out of production. In the May first issue of *The American Contractor* it was stated that it is not a principle of sound economics that wages are based on production.

The American Contractor remarks:

"We have received notice calling attention to the seeming disagreement between our statement and that of Mr. Litchfield. It seems well to clear the matter up, because a clear understanding of such terms is badly needed on every hand. There is no disagreement between Mr. Litchfield's statement and ours. Wages can be paid only out of production. That is true. Might as well try the good old job of lifting oneself by the bootstraps as to try to get wages which do not come out of production."

"But that is different from saying 'wages are based on production' because of the fact that not all of production is paid out in wages. As between wages, capital, rents and profits, wages may be at the good or the bad end of the bargain. Furthermore, it is not true that wages are based on production, because as between different elements on the wage earning trades and professions there is vast difference in the individual bargains struck. Wages of the individual or the craft as a body are in competition with wages of other individuals and crafts, and the bargaining factor produces its effect."

"For instance, compare the wages of the plasterer with the wages of the textile workman; or compare the wages of the willing independent plasterer who puts in his best licks

with the wages of the plasterer who is part of a big bargain driving machine and who may produce but a per cent of what he can. Are such wages based upon production? Does the plasterer who produces the most get the most? We do not say that wages should not be based upon production. We say they are not. But we subscribe freely to the statement that wages can be paid only out of production—not necessarily out of the production of the specific one or specific group that does the producing, however."

Fight Over Tariff Likely, Say Farm Subsidy Leaders

THE sentiment of the farm journals which advocated government subsidy for farmers seems to be that tariff will be one of the principal political issues in the fall and probably for some time to come.

Wallaces' Farmer says that the campaign for farm relief will follow two main lines:

"First, the enactment of the export plan in some form, and, second, the reduction of the tariff on the goods that the farmer buys. These are two methods of getting at the same result—a greater purchasing power for the farmer's dollar."

While some suggest changes in congressional personnel, *Price Current-Grain Reporter* says:

"We do not believe, however, there will be any great political upheaval because of what happened, for some of the farm associations and farm papers did not become at all exercised over the failure of the bill to pass, and there are a good many farmers who feel that they fared pretty well at the hands of this last session of Congress."

"For example, the following, which is the comment of *The National Grange* on the subject, certainly shows no feeling of animosity at the result:

"The defeat of all of the proposals for 'agricultural relief' in view of the now universally accepted understanding that the economic condition of agriculture continues to be much below that of the average of all other industries can hardly fail to result in a continuous effort to secure remedial legislation in succeeding sessions of Congress. This, probably makes it important that the whole public should be informed both as to the action which Congress has taken in this session and as to the underlying economic and other facts. It is held by many qualified persons that a national calamity will follow continuance of the present inequality of earnings and profits between agriculture and the other industries, but it is probably equally true that remedies must be based upon the fullest possible general and correct understanding of all of the facts."

"In *Pennsylvania Stockman and Farmer*, a publication which has a large farm following and which, therefore, may be depended upon to reflect farm feeling, there is a somewhat extended editorial, from which the following is taken:

"By a vote of 45 to 39 the Senate defeated the Haugen bill and then rejected several substitutes for it. Having been beaten decisively in both houses of Congress, this measure and all like it should now be abandoned but probably will not be. Party lines were not drawn in the debate or in the vote, 23 Republican, 15 Democratic and one Farmer-Labor senators voting yea, 24 Republican and 21 Democratic senators voting nay."

"Thus ends, for a time at least, legislation which would have brought to agriculture infinite harm and to the nation's business untold confusion. In past reflections on this measure we have called it a bill for the relief of candidates, and this is what it has proved to be."

"Many gentlemen who are not merely will-

When writing to BLAISDELL PENCIL CO. please mention *Nation's Business*

†

If You Could See Yourself Through Their Eyes!

"If you could see yourself through your customers' eyes you might get an eyeful," announced Henry Dexter Woodruff in a cryptic tone to his corner of the club. He shifted his cigar neatly to the other side of his face.

"Take our experience, for instance," he continued. "Under the old management our company had the world's worst letterhead. And if it wasn't the cheapest it wasn't because we didn't try for that honor.

"You wouldn't know the old letterhead now," he added thoughtfully.

* * * *

The old way of fixing the price on letter paper first is essentially wrong and back-handed. The more progressive business executives who govern purchasing tend today to shift the emphasis from what they pay to what they get for their money.

A great number of banks and large industrial corporations have put their official stationery upon Crane's Bond. And because of its known association with the largest banks, investment houses, railroads, and industrial companies Crane's Bond lends increasing prestige to those businesses which adopt it • *The next time you need stationery, checks, invoices, or statement forms, ask for estimates and sample sheets of Crane's Bond No. 29, with envelopes to match.*



CRANE & COMPANY, INC. DALTON, MASSACHUSETTS

When writing to CRANE & COMPANY, INC., please mention Nation's Business



The Union Memorial
Hospital
Baltimore, Md.

J. E. Sperry
Architect
Consolidated
Engineering Co.
Contractors



The Union Memorial Picked Dahlstrom

When Baltimore's leading group erected Union Memorial it was determined in each of its factors that this Hospital should represent the highest achievements of mankind. Fire-threat must be abolished, of course, through metal stair hall doors, metal partition, elevator entrance inclosures and unit type door frames. The logical thing to do then was to choose Dahlstrom.

For you—whether you make motor cars or building equipment or anything in the nature of fabricated and finished metal work—Dahlstrom has the means of helping your product to show its supremacy and to sell faster. Inquiries are welcomed. Write us.

Metal Doors and Trim
Elevator Inclosures
Automobile Mouldings
Garnish Moulding
Windshield Tubing
Instrument Panels
Glass Channels
Floor Moulding
Finishing Moulding
Architectural Shapes
Mouldings and Shapes for:
Electric Signs
Mail Chutes
Metal Furniture
Show Cases
Store Fronts
Railway Cars
Auto Buses
Auto Trucks
Safes, etc., etc.



DAHLSTROM METALLIC DOOR CO.
INCORPORATED 1904
JAMESTOWN, NEW YORK

NEW YORK
475 Fifth Ave.

CHICAGO
19 S. La Salle St.

DETROIT
1331 Dime Bank Bldg.

DAHLSTROM

ing but anxious to continue to serve their country in Congress have provided themselves with campaign documents which, as extracts from the *Congressional Record*, will be printed, mailed and carried at public expense to the voters of their respective districts. Costly indeed for the country, but a great relief to the candidates.

"The creation of a Division of Cooperative Marketing in the Department of Agriculture will of course appeal to a large number of farmers who are members of such organizations, and as the sum of \$225,000 was provided for this new bureau, thus providing jobs for quite a few of the hungry ones, no very serious consequences are looked for by those who voted against the Haugen bill."

Railway Review Comments On "The Ninety-five Per Cent"

THE comment below, culled from the pages of *Railway Review*, speaks for itself:

"Business is 95 per cent honest," said a high government official to the editor of *NATION'S BUSINESS*. The hue and cry against business, which leads to more laws and more regulation, is due not so much to illegal practices as to doubtful practices. Business must keep ahead of public criticism. It can no longer hide behind the old familiar "there are tricks in all trades." And remember this, if business doesn't regulate itself, government will.

"The editor of *NATION'S BUSINESS* might have told the government official that if the Government does not, then the people will. The people are taking an increasingly keen interest in the question of regulation, and just as keen an interest in business morality.

"There is no doubt that the average merchant is very much more truthful in his advertising than he was a few years ago, before organized effort was exerted to improve business morals in that respect. The American public knows much more today than it knew ten years ago about buncombe, but there is still a very large part of the population eager to buy 'below cost.' People there always will be who are looking for something for nothing. Eventually, of course, all such persons discover this is not possible.

"Perhaps the editor of *NATION'S BUSINESS* has heard the story of the East Side merchant who explained his selling suits below cost by the fact that he sold so many of them.

"About the only big thing selling below cost in this country today is steam transportation, and the public is not 95 per cent honest as long as it supports governmental regulation which continues this out-of-pocket way of doing business. The public will discover, one of these days, that nothing can long continue to operate under any such uneconomic system, and the sooner it learns this fundamental fact the better it will be for the public welfare."

Are We to Learn About Autos From Europe's Light Models?

EUROPE may yet teach American automotive men something about the profession, at least in so far as the "bug" car is concerned.

The light, economical European cars are gaining in popularity in this country, and maybe great changes in the industry are still possible.

Says the *Michigan Manufacturer and Financial Record*:

"This new trend in motor car design is significant in view of the fact that, while improvements and changes have been constant in the American automotive industry since its inception, none has been so far-reaching with respect to the building of the engines. The motor itself has, throughout the life of the industry, remained essentially the same. Introduction of the 'bug' type of car, therefore, brings with it the first engine change of major importance in many years. Public reaction to the new Overland 'Whippet' will be closely watched by the industry as a whole.

"Light weight, speedy cars, with rakish body

designs and low gasoline consumption seem to be in greater public demand than ever before, and it is in recognition of this demand that the manufacturers are directing their attention to the European types. This development is expected to bring forth an intensive competition in the low-priced field heretofore dominated by Ford and Chevrolet."

Lack of Political Nostrums Brings Economic Prosperity

MOST of the editorial remarks following the closing of the national legislative doors were a bit caustic and accused Congress of being responsible for most of the ills of the nation. Welcome relief is to be found in this excerpt from *American Metal Market*, which looks on a brighter side:

"We have been getting along so well economically and industrially since the war that we have neglected to be thankful for the virtual absence of nostrums. Things have worked themselves out in their own way and, so far as we can discern now, that way has been the best.

"Let us recall how much talk there was, towards the close of the war, of the necessity of our having a national program of readjustment. The idea was that we needed as close a system of regulation for the post-war period as we had, or tried to have, while we were engaged in waging war. President Wilson did not concur in these views. He expressed the opinion that American business men were 'of ready initiative' and that if an effort were made to put business in 'leading strings' those strings would soon become 'hopelessly tangled.' Nobody can have any doubt that he was exactly right in this.

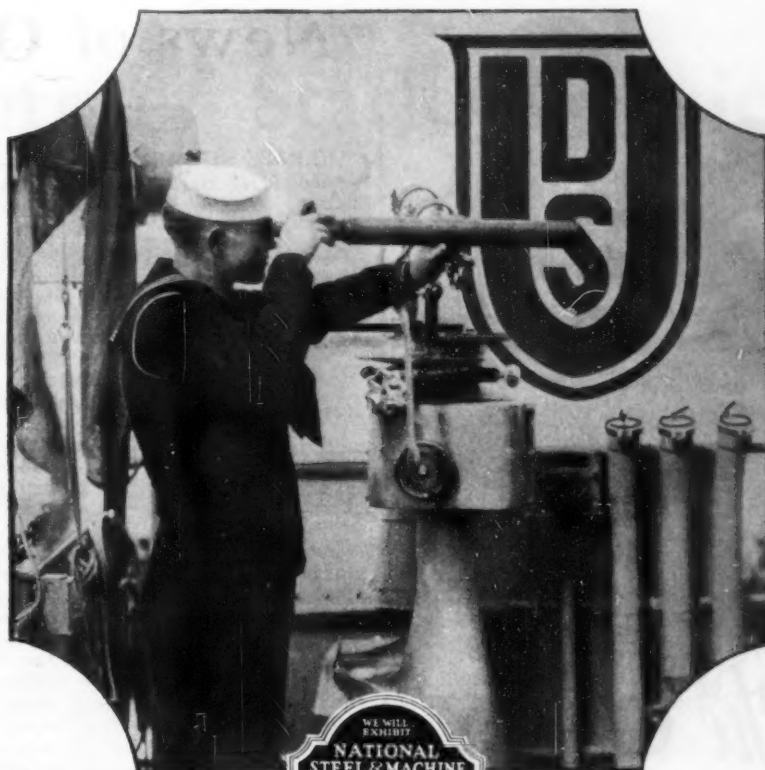
"But the urging of nostrums has not ended. We had a great deal of it in connection with the poor farmer. Six months ago many would have expressed terror at the idea that the long session of Congress would end without 'giving the farmer relief.'

"We need continually to foster in ourselves and encourage in others a healthy state of mind, as promising the best immunity from the infection that leads to efforts to apply nostrums. The thing generally begins insidiously. Frequently it is by taking fundamentals and twisting our view of them. There is one that has been urged in some quarters of late, and of which we may hear more in future. It starts with the dictum that steady prices are desirable, and then gently leads up to a scheme of making them so. One such involves a proposal that the quantity of production be ascertained and the quantity of credit be varied accordingly. This is along the line of the old quantitative theory of money.

"The first thing wrong with this proposal is that it takes the premise out of its proper and correct setting. Steady prices are desirable. Nearly everyone will admit that, but why are they desirable? Chiefly, in the final analysis, because they betoken steady conditions. If artificially produced they lose this character. The proposal to steady them really contemplates a sort of whitewashing process.

"The second thing wrong with the proposal is that it contemplates, if a situation is bad, making it worse. It may be, as some claim, that production can never be too great, but a count of people who really believe so, if they were required to consider their own lines of business, would certainly never roll up a majority. Now this proposal to increase credit, if production increases, means to take an increased production and lead it to greater increase.

"We all want good business conditions, but, if we think, we want them as the result of the natural and proper play of forces, not as the result of artificial control. Those who really and intelligently want nostrums are only those who think they can get them applied to their own benefit, at the expense of the remainder of society."



Naval Equipment
Parts



One of a series of advertisements illustrating
the many uses of Union Drawn Steels.

THIRTY SEVEN
years of quality
and service have
carried the fame of
Union Drawn Steels
around the world.

**UNION DRAWN
STEEL COMPANY**
Beaver Falls, Pennsylvania

When writing to UNION DRAWN STEEL COMPANY please mention Nation's Business

News of Organized Business

By ROBERT L. BARNES



*The ONLY
CHAIR
that is adjustable to—*

individual physical requirements in such a way as to promote better health on the part of seated workers is the Do/More.

Hundreds of installations in business and manufacturing concerns have proven the soundness of the exclusive Do/More principle of seating. Increased production on the part of workers using Do/More Chairs is a certainty.

Do/More Health Chairs are sold by seating engineers with offices in metropolitan centers. They are fitted to the individual. They are serviced by men who know seating and its effect on labor costs. Wherever our representatives go they find a welcome from employer and employee alike.

Let us send you data which will help you to analyze this important element of office and factory equipment. Use the coupon. Attach it to your letterhead.



DO/MORE CHAIR CO.,
Dept. 109,
Elkhart, Indiana.

I am interested in the relationship
of seating to production.

Name _____

Address _____

Business _____



CHARLES EDWARD RUSSELL, that mild individual recently barred from visiting England, discusses "The



New Industrial Era, Getting Rid of Making Things We Don't Need," in the *Century Magazine*. His article centers on the simplification measures that have been undertaken in the last five years.

Political and dynastic revolutions may be accomplished with clamor and tumult before the staring eyes of all the world, but when we come to industry and commerce the revolutions that make the deepest dent seem to make the least noise. For the last five years American industry has been remaking itself, and scarcely anybody outside the circles directly affected has paid the slightest attention to the upthrust. Yet it means changes so much greater than those made by most wars that hereafter it is likely to be wondered about as beginning an epoch not only in our history but in the other people's even to the other side of the world and all up and down it. . . . The Federal Department of Commerce and the Chamber of Commerce of the United States, being the chief revolutionists, have united in certain widespread, searching, and unquestionable investigations, from which business—in the mass—emerges convicted of bewildering extravagance and waste.

The article then points out that after the war people realized it was not necessary to manufacture such a multiplicity of goods. During the war, when the manufacturers were compelled to stop the production of many sorts of luxuries, we learned to get along without them. "Throughout this period (the war) the National Chamber was the close ally and assistant of the (War Industries) Board in securing every quickening betterment."

After the war the Department of Commerce and the National Chamber went to work on several surveys of industrial waste. Mr. Russell writes:

In 1921 the Federated American Engineering Society experts, headed by Mr. Hoover, did exactly this: They undertook a survey of conditions in six great typical American industries and laid bare things that struck the attentive into an amazed silence.

They found the preventable waste in these industries ranged from 29 to 64 per cent, the average waste among them all being 49 per cent or nearly one-half their total effort.

From this shattering fact they deduced another. They concluded that the total of preventable waste must be something like ten billion dollars a year.

This fact is staggering and was all the more so then in that it was the first broad-range view that we had had of industry. Industry began cleaning up its own back yard. Paving-brick manufacturers were among the first to do it. Sixty-six varieties were cut to four. Shovel manufacturers had 4,460 varieties on the market, and these they voluntarily cut to 384. Nearly two thousand varieties of sheet steel were reduced to 263.

The story of the cut in hotel equipment that Mr. Russell tells is worth noting: 700 varieties of hotel chinaware were reduced to 160; 78 kinds of mattresses were reduced to four. Metal beds and bed springs were cut from 78 styles to 2.

The other stories of hats, shoes, collars, elec-

tric fixtures, plumbing, lumber, hardware, plow bolts, hot water storage tanks, business forms, etc., reveal what an amazing amount of waste was once prevalent in industry and that, by self-regulation, business men were able to cut down costs. These savings are reflected not only in cheaper consumer prices but in higher wages and dividends.

By means of organization, simplification, and standardization, the United States can compete with foreign countries in spite of the difference in wage scales. Mr. Russell points out that not for sixty years have we had as much tonnage on the ocean. He believes that the processes that have made our industry grow to such tremendous proportions and enabled the people to have the highest living standards of any country in the world will also put our merchant marine back on the ocean.

In closing his article Mr. Russell answers some of the professional prophets who see Europe adopting our methods and thereby bringing things all back to the same relative levels. The Department of Commerce and the National Chamber are every day receiving foreigners and showing them everything that they can about the technique of American business. Yet few people really view with alarm this study of our methods.

Old world methods are not so easily changed; old-world traditions are not so easily lost; the advantages that come from general education, high living standards, and a society without caste are not so easily overcome. Besides these, two facts are to be remembered:

First . . . American tactics in the international field have been revised. To give the foreigner exactly what he wanted was the old idea. . . . The new idea is to give him the things that we can produce best and most cheaply and leave the hand-painting effects to nations that have a two-dollar wage scale against our six.

Second, irrespective of any belief or feeling about prohibition, the fact is that unless other nations adopt it they cannot hope to overcome our lead in production efficiency.

Arbitration Law Reviewed

IN A BOOKLET on commercial arbitration published by the Massachusetts State Chamber of Commerce the law is analyzed, rules and regulations for arbitration committees' guidance are suggested, and examples of arbitration clauses to be inserted in contracts are cited. The purpose of the study is "to act as a guide for business and trade associations and chambers of commerce so that they may have before them in convenient form the provisions of the Massachusetts statute, comments upon the interpretation and effects of its various sections, and suggestions for rules, forms and procedure."

What's the Apprenticeship?

BECAUSE no one has counteracted the prevalent prejudice against manual labor or expanded the opportunities open to the manual laborer, the tendency of young men is to look for white-collar jobs. This tendency has complicated the problem of obtaining an adequate supply of trained industrial workers.

Apprenticeship offers the opportunity to develop a supply of trained men from whom can be drawn the foremen and, later on, executives. It creates a body of workmen skilled in their lines, familiar with an organization's policies, and it reduces labor turnover.

The Department of Manufacture of the National Chamber has studied the question and

When writing to Do/MORE CHAIR CO. please mention Nation's Business

Nineteen Years of Statler Service

THE FIRST Statler Hotel opened with a promise to travelers of "more for your money"—and it started a new era in American hotel-keeping.

For it was the first hotel to build a private bath with every room; to run circulating ice-water to every bathroom; to fight the extortion of tips for unwanted and unrequested service; to proclaim the doctrine that "the guest is always right"; to build its future on an all-the-way policy of better value for your money, and full satisfaction guaranteed.

Succeeding Statler hotels have been built on those same policies—which is why the seventh Statler is now building, in Boston.

I want to renew to you, here, our pledge of better value, of more for your money, of "Statler service," under those same policies. Our houses are kept new and modern; our principles of business-building and customer relations are unchanged; we invite you to come to us with

the understanding that your complete satisfaction is guaranteed. We've

been bettering our organization, our service, our understanding of what you want, for nineteen years—growing with every year. We make it an operating policy, with all our people, that the employee who is serving you *must* satisfy you—or must refer the transaction to his superior immediately. Now, more than ever, we can give you the best values to be found among hotels of the first class.



Emerson

P. S. The experienced traveler plans his route to bring him to a Statler Hotel for over Sunday.

Rates are unusually low, in comparison with those of other first-class hotels:

Rates are from \$3.00 in Cleveland, Detroit and St. Louis; from \$3.50 in Buffalo, and from \$4.00 in New York. For two people these rooms are \$4.50 in Cleveland and St. Louis, \$5.00 in Detroit, \$5.50 in Buffalo and \$6.00 in New York.

Twin-bed rooms (for two) are from \$5.50 in Cleveland, Detroit and St. Louis; from \$6.50 in Buffalo, and from \$7.00 in New York.

And remember that every room in these houses has its own private bath, circulating ice water, and many other conveniences that are un-

usual—such as, for instance, the bed-head reading lamp, the full-length mirror, the morning paper that is delivered to your room before you wake.

Everything sold at the news-stands—cigars, cigarettes, tobaccos, newspapers, etc.—is sold at prevailing street-store prices. You pay no more here than elsewhere.

In each hotel is a cafeteria, or a lunch-counter, or both—in addition to its other excellent restaurants. Club breakfasts—good club breakfasts—are served in all the hotels.

Boston's Hotel Statler is Building

A new Hotel Statler is under construction in the up-town district of Boston—to be opened late this year, with 1300 rooms, 1300 baths.

And an Office Building: Adjoining the hotel will be the Statler Office Building, with 200,000 square feet of highly desirable office space, ready in October, Rental Managers W. H. Ballard Co., 45 Milk Street, Boston.

STATLER

Buffalo~Cleveland~Detroit~St. Louis

HOTELS

And Statler-Operated Hotel Pennsylvania~New York

Hotel Pennsylvania New York

The largest hotel in the world—with 2200 rooms, 2200 baths. On 7th Ave., 32d to 33d Sts., directly opposite the Pennsylvania Station. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

Getting the most out of advertising

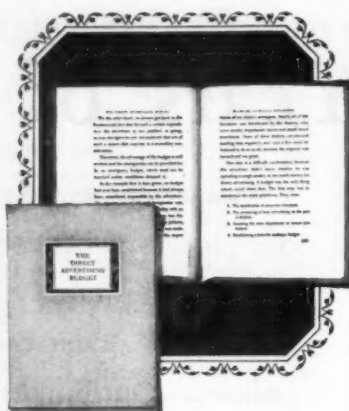
SO FAVORABLY has this little book, "The Direct Advertising Budget," been received by readers of Nation's Business as a contribution to the literature of direct advertising that it is a true pleasure to offer it again to executives who have not yet read it.

And so if you use, or are in a position to use, direct advertising as a definite medium to reach retailers, wholesalers or selected prospects, a copy will be gladly sent free upon request. To others the price is one dollar.

EVANS-WINTER-HEBB Inc. Detroit
816 Hancock Avenue West



The business of the Evans-Winter-Hebb organization is the execution of direct advertising as a definite medium, for the preparation and production of which it has within itself both personnel and complete facilities: Marketing Analysis · Plan · Copy · Art · Engraving · Letterpress and Offset Printing · Binding · Mailing



Budgeting and directing direct advertising

Production, of any kind, is preceded by long and careful planning. Sales work is mapped out months or years in advance. National advertising is considered at great length before the schedules are made up.

Any other procedure would be unbusinesslike and indefensible.

And now executives are learning that, as a guaranty of effectiveness and economy, direct advertising must be directed in an equally businesslike manner.

This book discusses the use of direct advertising on such a basis.

published its findings in a pamphlet, "Apprenticeship."

Many people believe that only the big concerns, like the General Electric Company, which have spent large sums and are enthusiastic about the results, could conduct successful apprentice schools, but the fact is that smaller concerns are training apprentices. In some cities there is cooperation among many small concerns, and resources are pooled. The Department of Manufacture will appreciate cooperation in the further study of the question and will be glad to supply the pamphlet and other relevant information to persons interested.

Junkets Again to the Fore

AROSE by any other name might smell as sweet, but the members of the numerous "trade commissions" that go abroad would miss much entertainment tendered them were they called by their rightful name, tourists, instead of "Trade Commissioners."

A letter received recently from a business man in Germany representing an American firm duplicates many received by the National Chamber. His point is succinctly put.

Yesterday I had the pleasure of waving good-bye to a "Trade Commission" from the X Chamber of Commerce.

The Commission was a party of twenty-three persons: eight retired business men, six of whom had their wives with them, one lady architect, the mayor of a small inland city, an author in search of local color, an old lady traveling for pleasure, two club women traveling for culture, a financier and his daughter. Of these people the financier is the only one who could possibly, by any stretch of the imagination, be interested in trade conditions and connections, and it takes a stretch of the imagination to believe that he was interested.

The published itinerary gave but nine days in commercial centers such as Hamburg, Bremen, Frankfurt, etc., while the other twenty-one days were spent in viewing the historic and artistic monuments but, in particular, the abundant beer gardens of Germany.

The members of this "Trade Commission" were lavishly entertained by chambers of commerce and government officials. Yet in the three dinners and entertainments that I visited not a word was spoken about trade conditions or connections; much less was any meeting held for the discussion of that specific point. The members of the party were admittedly on a pleasure jaunt.

This case is but typical of the average "Trade Commission" coming from the United States. It is an imposition on the courtesy and generosity of the government authorities and the chambers of commerce to expect them to entertain junketing parties of this kind. I—and I am sure the Consulate feels the same way—experience considerable embarrassment in approaching the authorities with the news of another such party. The chambers of commerce have learned by past experience the usual nature of "trade commissions" and exhibit an increasing reluctance to do anything for them. I feel that the name of "trade commissioner" has suffered so much damage that, should a genuine trade commission arrive, it would experience considerable difficulty in establishing desirable contacts with native business men.

Porto Rico and Its Prospects

CLAUDIO CAPO, secretary of the Chamber of Commerce of Porto Rico, writes us a letter about that little-known island southeast of Cuba about four days' travel from either New York or New Orleans.

It must be remembered that up to but twenty-eight years ago Porto Rico was a Spanish colony, and had been for more than four centuries. Our political and social thoughts, as well as our language, customs,



Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and to examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

CANADIAN PACIFIC RAILWAY CO.
DEPARTMENT COLONIZATION AND DEVELOPMENT
J. S. DENNIS, Chief Commissioner
Windsor Station, Montreal, Can.

Is the Business Man Interested in Family Finance?

We Are Told, "Not Much"

Well, then, "Discretion is the better part of valor." Women are going into home budgets. Those who have tried it find that the family budget eliminates a lot of unprofitable expenditures, builds up savings and tends to smooth down the wrinkles of care.

You are interested in the protection of your family, the education of your children and assuring old age independence for yourself and wife. All these can be worked out better through using the Family Budget.

Some day your wife will ask you about it. Are you posted? If not, look it up. The John Hancock Home Budget Sheet will give you a lot of new ideas.

Write "Inquiry Bureau"



A STRONG COMPANY over Sixty Years in Business. Liberal as to Contract, Safe and Secure in Every Way.

and characteristics, were different from the American. But today, more than half our population has studied English in the American schools, our political institutions are patterned on the American, and our commercial intercourse is almost exclusively with the United States.

For the enlightenment of the business man and tourist, let me put down a few facts. The island has over 800 miles of high class automobile roads that traverse natural scenery comparable only to Switzerland's. Of the 1,400,000 inhabitants of the island not a third are colored. Our yearly commerce with the United States has increased from 20 millions in 1898 to nearly 200 millions at the present time.

There are great opportunities for industrial expansion, there being practically no manufacturing now. With a density of over 400 to the square mile, Porto Rico is ripe for industrial development. There is not a single cotton mill here, though over thirteen million dollars worth of cotton textiles were imported last year.

With an industrialization of the country, there will undoubtedly come a higher standard of living and a greater demand for goods from the United States. The immediate problem of Porto Rico is unemployment, which can be solved by the manufacturers of vision. Labor is plentiful and cheap, and there are markets waiting to be exploited.

The Village Built a Railroad

RAILROAD building is not often undertaken by chambers of commerce, but in 1867 the business men of Denver made plans and built one, so that in 1870 a locomotive came puffing into Denver, ending its isolation. As early as 1862, people had thought the Union Pacific would go through Denver, but in 1866 it was definitely announced that it wouldn't. Business men began leaving the village of three thousand to go



to Cheyenne, which promised to be a thriving town. Things looked pretty dark for Denver's future, but the business men got together and raised \$500,000 to build a railroad.

That was the first achievement of the Board of Trade, which up to 1884 was formed and disbanded as need arose, and the emergency met. In 1884 a permanent organization was formed whose first achievement was the establishment and maintenance of a public library.

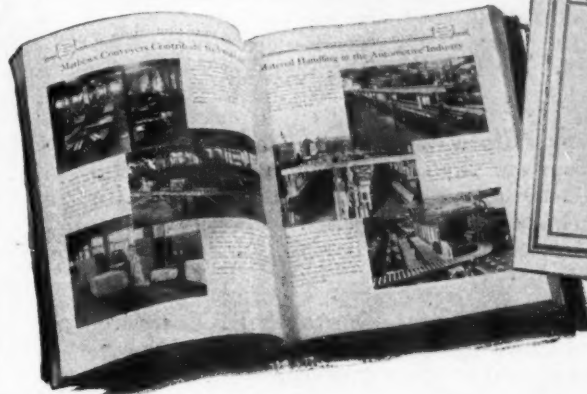
Civic Neatness Not Yet a Habit

CHAMBERS of commerce have from the first been interested in the clean-up-and-then-keep-clean campaigns that have been waged in this country. These campaigns have had three useful effects, according to the Civic Development Department of the National Chamber: First, they have produced the desired end; second, they have educated people to be more careful; third, they have secured more adequate municipal collection and disposition of refuse.

From a national viewpoint the job is far from complete. If any vigilance is relaxed, the old conditions quickly reappear. It isn't alone providing enough receptacles for rubbish, but it is also teaching the people to use them. The Monday morning condition of the parks is too often duplicated in the streets every day, due in large part to the present methods of collecting rubbish.

Philadelphia is an example of the difficulty in doing a good job. The Philadelphia Commission has offered two prizes of \$5,000 each, one for the best practical plan by which the public can be educated and restrained from

A New TEXT BOOK on Factory Management

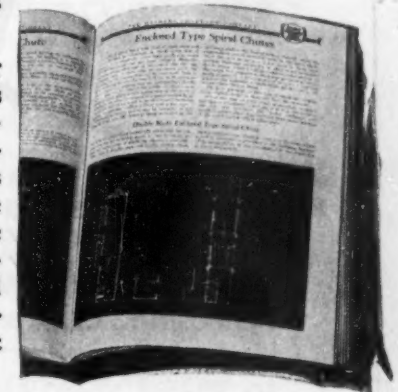


"Bearing the Burden of Industry"

A CONTRIBUTION by the Mathews Conveyor Company and representative users of its equipment toward the better understanding of interior transportation problems and cost-saving solutions.

It has taken years of thought, study, and practical application to produce this book. The experience of leaders in industry is invaluable as a guide—especially so this year with increased interest being rightly shown in cheaper ways of making better products.

The Mathews Conveyor Company is glad to put this most worthwhile information at the disposal of factory and business executives everywhere. "Bearing the Burden of Industry", the exposition of modern conveying, will take its rightful place among other authoritative works on systematic routine production.



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National Lamp Works
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National Tube Company
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National Biscuit Company
Wm. Wrigley, Jr. Company
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Swift & Company
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Youngstown Sheet & Tube Co.
International Silver Company
Texas Company
Shredded Wheat Company
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B. F. Goodrich Company
Thomas A. Edison, Inc.
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American Radiator Company
American Car & Foundry Company
Firestone Tire & Rubber Company
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American Fruit Growers, Inc.
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Kelly Springfield Tire Co.
Beacon Falls Rubber Shoes Co.
Hammermill Paper Company

MATHEWS CONVEYER COMPANY 148 Tenth Street, Ellwood City, Pa.

New York, Boston, Philadelphia, Buffalo, Pittsburgh, Cleveland, Detroit, Chicago, Atlanta, Anderson, S. C., New Orleans, Milwaukee, Minneapolis, St. Louis, Omaha, Denver, Salt Lake City, Los Angeles, San Francisco, Seattle. Canadian Factory: Port Hope, Ont.

MATHEWS Conveyer Systems Increase Plant Profits

When writing to MATHEWS CONVEYER COMPANY please mention Nation's Business

Mathews Conveyor Company
148 Tenth Street
Ellwood City, Pa.

Please send me my copy
of "Bearing the Burden of
Industry."

Firm _____

Individual _____

Address _____

N B 9-25

Associated Gas and Electric System

Founded in 1852

Service to Large and Small

The operation of groups of properties under one central management provides improved service to small communities and a stronger financial position through:

(1) More experienced management, greater engineering skill, broader supervision; (2) large quantity buying of materials and supplies; (3) interchange of methods and personnel; (4) larger financial resources for construction and improvement; (5) production of electricity by larger, more up-to-date generating plants.

The Associated System has taken particular interest in building up high-grade service for small communities. Some 18 municipal plants in Tennessee and Kentucky and many small plants in New York State and New England have recently been added. In these areas new construction and extension work is carried out. The local plants are supplemented by connecting them wherever desirable with the transmission lines of the System.

The resulting improvements mean larger, better and more dependable service, growing numbers of customers and increasing demands for service. These in turn tend to promote business activity and community development.



Associated Gas and Electric Company

Write for our booklet, "Interesting Facts"

Associated Gas and Electric Securities Company

61 Broadway

New York



**Possibly
a letter will serve
as well as a trip
to OAKLAND**

IN CHOOSING a western location for branch factory or sales office, you have probably studied Oakland.

Perhaps some questions still remain unanswered concerning this city's advantages or disadvantages for you. Send us a letter.

We know this community. Fifty-nine years we have served it. All our fund of facts and information is at your disposal. A letter of inquiry may save you a trip. Your questions will of course be held in confidence.

The Oakland Bank

12th & Broadway, Oakland, Calif.

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"The Sunshine Belt to the Orient"



Lovely architecture, quaint customs, strange peoples

Orient • Round the World

Combining the only fortnightly service Round the World with the fastest service to the Orient

Visit Honolulu, Japan, China, Manila, Malaya, Ceylon, India, Egypt, Italy, France, Boston, New York, Havana, Panama, Los Angeles, San Francisco.

A great trip. A glorious adventure. Palatial President Liners. Outside rooms with beds, not berths. World famous cuisine.

A sailing every Saturday from San Francisco (every two weeks from Boston and New York.) Likewise a sailing every twelve days from Seattle direct to the Orient without calling at Honolulu.

Fares range from \$1250 to \$3500 per capita for the complete world circuit.

Dollar Steamship Line Admiral Oriental Line

604 Fifth Ave. and 25 also 32 Broadway N. Y.
Robert Dollar Bldg., San Francisco
1519 Railroad Avenue, South, Seattle

leaving rubbish in the public parks and squares of the city; the second, for the best practical substitute for the present regulation compelling the householders to place rubbish receptacles on the sidewalks in front of their houses, for collection by the Street Cleaning Bureau.

The Philadelphia Commission will be glad to hear from any one who has a practical solution or who wants a copy of the regulations governing the awarding of the prizes. Those interested should write The Philadelphia Commission, 1320 Packard Building, Chestnut and Fifteenth Streets, Philadelphia.

Credit Bureaus Affiliated

MICHIGAN has shown the way in the closer coordination of credit bureaus throughout the state. Over fifty communities are represented ranging in size from a thousand to Detroit's million plus. These bureaus exchange information without profit, and thus the professional crook or indifferent debtor finds it hard to move from one community to another, and to continue to get credit in each place. The establishment of a similar system throughout the country would undoubtedly be of benefit to retail merchants.

The Merchants Service Bureau of Grand Rapids has grown from sixteen members in 1921 to nearly six hundred members in 1926. The credit losses of merchants have been appreciably lessened.

The Bureau believes that over a period of years no chamber of commerce will experience a bad reaction from sponsoring a credit association. The member who abuses the service is seldom of any substantial value to the organization.

Merchants Service Bureau of Grand Rapids maintains a card record of 200,000 names, a locating department with a special tracing system for which no charge is made unless results are secured, an adjustment department, a delinquent letter service, a watch service to warn all firms having business with a debtor when an adverse report is received, and a bulletin service covering the law suits, moves within the city, newcomers to Grand Rapids, and forgeries.

Management Week

ORGANIZATION work for the conduct of Management Week, October 25 to 30, is well under way throughout the country. Interest in this yearly event has steadily grown from the 80 meetings with an attendance of 15,000 in 1924. This year it is hoped to have at least one meeting in 117 industrial cities.

This "week" is sponsored by the American Management Association, Society of Industrial Engineers, American Institute of Accountants, American Society of Mechanical Engineers, the Taylor Society and the Division of Simplified Practice of the Department of Commerce. R. M. Hudson, chief of the Division of Simplified Practice, is secretary of the National Management Week Committee.

The subject of this year's meeting is "Progress in Waste Elimination." The purpose is to discover the benefits gained by industrial and commercial enterprises from the cooperative attacks on waste following surveys made by the Hoover Committee on Elimination of Waste in Industry, the Committee on Business Cycles and Unemployment, and the National Distribution Conference. Each of these surveys recommended certain cooperative undertakings to improve the efficiency of management.

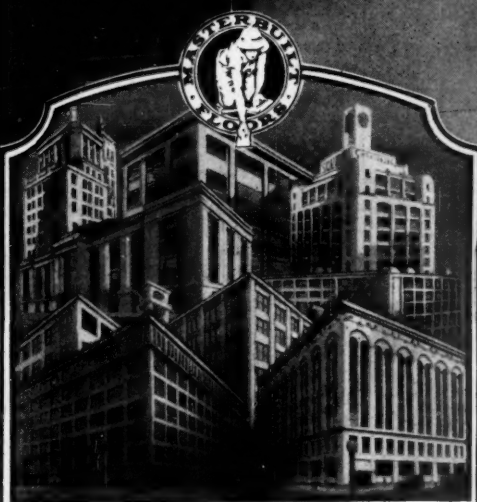
The National Chamber has been actively engaged in simplification work from the very beginning. The Department of Manufacture under E. W. McCullough has promoted Uniform Cost Accounting, Foreman Training, and other constructive measures for the elimination of waste. Mr. McCullough is a member of the Planning Committee which acts as a "Board of Directors" to the Division of Simplified Practice of the Department of Commerce. A. E. Dodd of the Department of Do-



Masterbuilt Floors

HARDENED DUST-PROOF CONCRETE

In John Wanamaker's New York Store, world famous for its quality merchandise and the attractive arrangement of its displays, floors of combined beauty and durability were obviously essential. To insure wear-proof beauty Masterbuilt Colormix Floors of colored, hardened concrete were installed.



MASTERBUILT FLOORS can be judged by the company they keep. Such nationally known merchandise as Colgates, Steinway, Schraeder Valves, H. O. Cereal, Squibbs druggist supplies, Paris Garters, Endicott Johnson Shoes, and Curtis Aeroplanes, are manufactured on Masterbuilt Floors. There is a type of Masterbuilt Floor exactly suited to every kind of factory building as well as to office buildings, stores, theatres, schools, churches and public buildings.

A Masterbuilt Floor is a sound investment for every type of service as thousands of installations are constantly proving.

IT'S the floors of a building that get the wear. You *can* have concrete floors that are wear-impervious for a lifetime. Masterbuilt Floors of *hardened* concrete have beauty and durability built in. They take the grief out of floor maintenance whatever the type of service.

A Masterbuilt Floor is a combination of *methods and materials* originated and perfected by The Master Builders Company, which produce a hardened, wear-proof, dust-proof, water-proof concrete floor—in colors or natural gray. Sixteen years of outstanding *proof by performance*. There is a Masterbuilt Floor to meet your requirement no matter what the type of traffic.

Ask your architect!

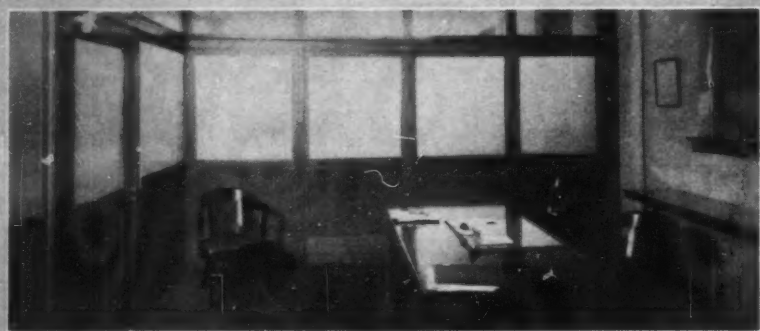
THE MASTER BUILDERS COMPANY

CLEVELAND, OHIO

Sales Offices in One Hundred Cities

Factories at Cleveland, Ohio and Irvington, N. J.

Not a general specification for all uses but a method which recognizes differing needs and provides tested means of meeting each. Write us your needs and receive illustrated brochure and full data, free.



If Your Office Had No Doors or Windows

If no doors or windows were needed within the office, it will probably be cheaper to subdivide it with plaster walls than to use Circle A Partitions.

It is self-evident that any layout calls for doors into the various divisions, and in almost all offices, it is necessary to make use of borrowed light.

When the cost of placing the doors or windows is considered, the cost advantage of plaster partitions quickly disappears.

You will then find that Circle A Partitions sectional and movable are not only better, but also cheaper.

CIRCLE A PRODUCTS CORPORATION

Circle A Partitions are sectional and movable, and can be rapidly erected to make any desired arrangement. You can use them over and over again, and change the office layout to meet the constantly changing needs of business.

They also bring to the office the handsome appearance of fine woodwork that can only be achieved by master craftsmen with modern tools, working in fine woods.

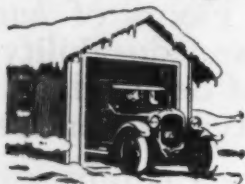
We will gladly send our new catalogue to anyone interested.

• 658 South 25th Street, Newcastle, Indiana

CIRCLE A PARTITIONS

Make THIS Winter's Motoring

Free
From
Trouble



At Small Cost

A cold engine is just about as inconvenient and exasperating as one without a starter. The loss of time, temper and inconvenience generally makes winter motoring an unpleasant duty instead of a pleasurable convenience.

The effects of winter on automobile maintenance and automobile life is the greatest single detrimental factor. Oil dilution, increased gas consumption, scored cylinders, overloaded battery, ruined finish, all these and a dozen more occur to hundreds of thousands of cars every winter. And every one of these costly things can be entirely eliminated if you keep your garage only moderately warm.

SCIENTIFIC

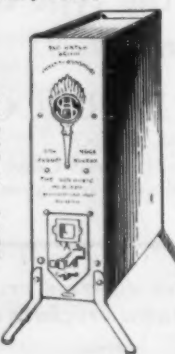
Safety Garage Heater

completely solves the problem of warming garages safely, conveniently and economically. It ventilates the garage, keeps it dry, gives even circulation of warmth, has no water to freeze, requires no care or attention, can cause no dirt or trouble, and occupies no needed space.

Free Booklet. Our booklet, "Winter Motoring," tells all about the Scientific Safety Garage Heater and gives valuable hints that save time and money in winter.

The Scientific Heater Company

2102 Superior Viaduct, Cleveland, O.



Save the Cost of the Paint for Maintenance Painting



THE Paasche Portable Airbrush outfit will save in labor at least the cost of the paint used in maintaining your plant. You can preserve your property and keep your interiors light at a cost so economical it will surprise you. Big industries throughout the country are proving the economy of Paasche Portable outfits for all maintenance painting. May we send you a list of users and details of the equipment?

Paasche Airbrush Company
1934 Diversey Parkway
Chicago, Illinois

Also producers of superior finishing equipment for wood and metal working plants, auto body and accessory shops and all fine finishing. NB9-Gray

Domestic Distribution has sponsored both the 1924 and 1925 National Distribution Conferences and has done much other work along this line. The Transportation Department under Col. A. W. Barber is working on the question as it applies to transportation through better coordination of existing facilities. Organization Service is actively cooperating with the National Management Week Committee in bringing it to the attention of local chambers of commerce.

Further information may be obtained from R. M. Hudson, chief of the Division of Simplified Practice, United States Department of Commerce, 19th Street and Pennsylvania Avenue, Washington, D. C.

Secretaries' School

DEAN HOTCHKISS of the Graduate School of Business Administration of Stanford University conducted the annual summer school for Western Commercial Secretaries held at Stanford from July 25 to 31.

A. E. Dodd of the Domestic Distribution Department of the National Chamber gave a series of lectures on Retail Trade Activities and the Chamber of Commerce. This went into the history of distribution, retail trade promotion, cooperation among merchants, education in merchandising, and the future of distribution based on present tendencies.

Industrial Development in the Far West was discussed by E. W. McCullough of the Department of Manufacture of the National Chamber. Among the topics that he developed were "The Industrial Opportunities of the Far West," "What Has Your Community to Offer for Industrial Development?" "Using the Facts Gathered by the Industrial Survey," and "What Kinds of Plants May Succeed in Your Community."

Rewarding Civic Benefactors

IS A LIFETIME of useful service no more meritorious than one useful act? Is showy achievement more praiseworthy than "the widow's mite"?

These questions are raised in a study of "Awards to Civic Benefactors" published by the Civic Development Department of the National Chamber. No city makes any distinction nor does it recognize any disproportion in the awards. Yet in spite of these obvious inadequacies, the awards do stimulate the civic spirit.

Edward Bok established an annual award of \$10,000 for the citizen of Philadelphia or its vicinity who has best merited it. The Houston, Texas, Rotary Club annually presents a gold medal to the citizen whose unselfish endeavors during any one year have been of greatest value to the city. Pine Bluff, Arkansas, gives a loving cup to the person doing the most for the city in any one year. An award of a slightly different character is given by the *New York Graphic* to the organization most deserving of praise for its civic accomplishments during the year.

Cooperative Buying Abroad

DURING the hard times in Germany in 1921, when 50,000 firms failed, the cooperative movement grew vigorously. Thousands of small cooperatives sprang up to take advantage of combined buying power and to cut down many of the incidental expenses of doing business. Police control of merchandising was strict. Sales could be held but once a year, though occasionally spring sales were allowed.

Julius Ury, seeing the advantages of cooperative buying and already owning one hundred and fifty stores, formed an organization with



a membership of four hundred German firms. This organization, *Grobag*, performs four functions for its members, as follows: It maintains sample rooms and purchasing offices throughout the country at strategic points. It manufactures staple articles, and the only requirement of *Grobag* members is that they purchase these staple articles from the association. It purchases for its members not only in Germany but from its correspondents in France and England. It also is the German representative of these correspondents and purchases for them German goods. It finances the domestic and foreign transactions of its members.

The French correspondent has about one hundred and fifty firm members. The British organization is a large one; and besides these two, there are numerous stores in Belgium, Switzerland, Morocco, and the Orient.

Miscellaneous Solicitations

PUBLIC financial appeals have been made the subject of a study by the Civic Development Department, Chamber of Commerce of the United States, which has published its findings under the title of "Miscellaneous Solicitations."



Appeals may be divided into two groups. The findings show the first group includes the appeals of social service and civic agencies whose purpose is to serve others than their own members or to serve

the community. In this group are such organizations as the Associated Charities, the Visiting Nurses Society, the Playground Association, etc., which in many cities have been brought together into a community chest organization.

The second group includes a miscellany of organizations whose primary purpose is to benefit their own members and whose appeals supplement the money received from membership dues. These organizations raise money by a variety of methods ranging from direct requests for money to soliciting advertising in a publication or buying tickets for a benefit performance, excursion or picnic. This group also covers widely different types of organizations, such as federal and local government employees, fraternal organizations, labor unions and benefit societies.

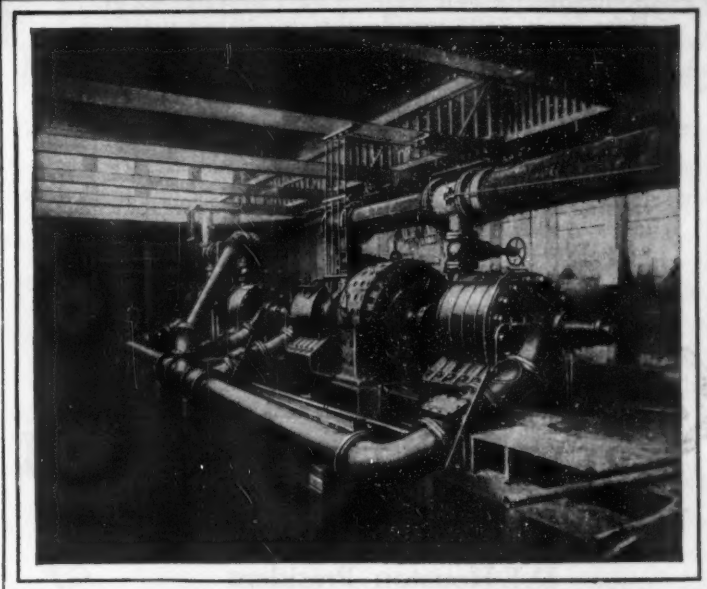
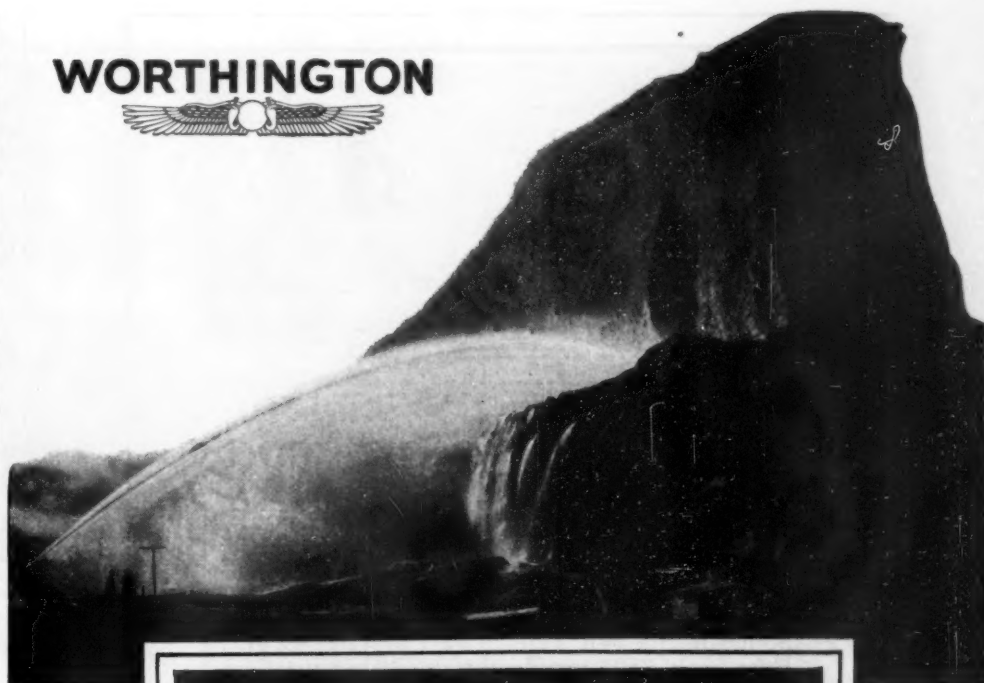
There are numerous difficulties in dealing with the second group. Many purposes are commendable, and not infrequently the method is not objectionable. But a commendable purpose may be combined with an objectionable method—for example, one that leaves almost nothing for the supposed beneficiary, after the professional promoter has his share; or a questionable purpose is so skillfully presented that it is hard to point out clearly what is objectionable.

Organizations in the second group, because they appeal so infrequently, do not learn from experience as the social agencies do, and consequently they are easier victims for professional promoters and often resent having their purposes or methods questioned, being confident that their ends are good.

A solicitations committee of a chamber must first decide what rules and standards should be applied in passing upon applications. Should not the endorsement committee study such appeals, as those made by the firemen, policemen, and postmen who must support their pension funds by public solicitation, to see that they are based on sound actuarial practice and that the government is making adequate contributions?

The Cleveland Chamber of Commerce has long been interested in this problem, and its Committee on Soliciting Schemes has worked out certain rules and has issued two pamphlets that are of interest to other chambers working on the problem. One is entitled "Contributions

WORTHINGTON



The giants that razed Goldsmith Hill

Hindering the development of Portland, Oregon, Goldsmith Hill had to be razed.

Mighty streams of water did the work. Ripping and tearing away everything in their path, they quickly levelled Goldsmith Hill, completing some years ago this part of Portland's large regrading project.

Some idea of the tremendous amount of energy involved can be obtained from the fact that the three pumps supplying the several streams were each capable of delivering 2,500 gal. of water every minute to a height of 700 ft.—150 ft. above the top of the Washington Monument.

Of course Worthington pumps were used—in fact, the same pumps as were previously employed for similar extensive regrading work at Seattle, Washington.

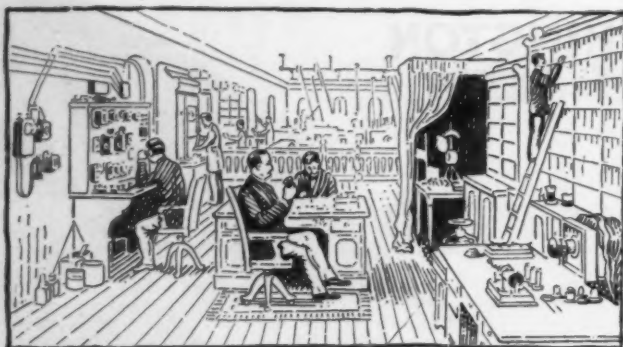
At Panama, Worthington pumps were used for hydraulic regrading and dredging work. They also serve the huge dry dock at Panama as well as those at Boston, Norfolk and Philadelphia.

Worthington pumps have a reputation for being a little better than most users expect. That is why they are used so extensively in all fields of commerce and industry—at home and abroad and on every sea—from the humblest service to the mightiest.

WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY
BRANCH OFFICES IN 24 CITIES

7780-4

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business



For the common good

IN THE eighties, scientific research and experimentation in telephony were conducted in the workshop illustrated above with a mere handful of workers. Today they are carried on in a modern thirteen-story building in New York City—the home of the Bell Telephone Laboratories, Inc. Here over 3,500 people—trained scientists, engineers and their assistants—seek untiringly for scientific means of bringing the nation's telephone service still nearer to perfection.

It is this never ceasing endeavor that has in a half century brought telephone service to its present extent and efficiency—from one telephone in 1876 to over 17,000,000 today, carrying 73,600,000 messages daily; from a few yards of wire to a wire mileage today of 53,600,000; from facilities costing a few dollars to a present book cost of over \$2,600,000,000.

A nation-wide plant and its widespread service underlie Bell System securities.



The stock of the A. T. & T., parent company of the Bell System, can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."

**BELL TELEPHONE
SECURITIES CO. Inc.**

D.F. Houston, President
195 Broadway NEW YORK

"The People's
Messenger"



A Friend of Yours
may be interested in NATION'S BUSINESS.
Perhaps you'd like to send him this coupon:

To the UNITED STATES CHAMBER OF COMMERCE
WASHINGTON, D. C.

Kindly enter the name of the undersigned to receive thirty-six numbers of NATION'S BUSINESS, one each month, and, in addition, one copy each year of the official transcript containing the addresses delivered by important business and government leaders at the annual U. S. Chamber of Commerce Convention in Washington. I enclose remittance for \$7.50.

Name _____ Date _____

Address _____

City _____ State _____

9-26

When writing to BELL TELEPHONE SECURITIES CO. INC. please mention Nation's Business

—How To Give and How to Get," and the other, "Handling the Solicitor." A few selections from each will give the general purport.

In the first are included such statements as these: "Tag Days are always objectionable. Do not contribute to organizations which use this method of raising money." "Souvenir Programs or Year Books rarely have real advertising value. If the publication is necessary, the cost of printing it is reduced if advertising is omitted. The appeal to loyalty or threat of boycott is repugnant to honor and sound business."

Subjects in the other pamphlet are discussed under such headings as: "Designate some one person to handle all requests for advertising and contributions"; "Make the solicitor state the basis on which he solicits"; "Inspect credentials carefully"; "Don't be afraid."

Parker Hill, assistant secretary of the Cleveland Chamber, wrote:

About the only method that the Committee on Soliciting Schemes will approve is straight donations. Appeals for the purchase of tickets are generally disapproved. . . . The committee collects the facts in regard to such appeals, gives consideration to them, and then issues a bulletin to all members of the chamber.

Chamber Operates Radio

RADIO broadcasting has been used by many chambers, but the first station to report ownership of its broadcasting station is the Chamber of Commerce of the Oranges and Maplewood, East Orange, New Jersey. Microphones have been installed by the chamber in the local schools, clubs, and places of amusement in order to broadcast all programs of interest. The sale of time to advertisers is not only paying for the plant and its use, but it is also showing a profit to the chamber.

Alabama Surveys State Highways

THE ALABAMA Automotive Trades Association is making a state-wide survey of its highways, which will include, besides an estimate of future requirements, a study of highway financing. This tax study will aim particularly at a study of the different financial factors affecting the individual automobile owner. The funds for this investigation were raised by the association from among its members.

Referenda Used for Local Debates

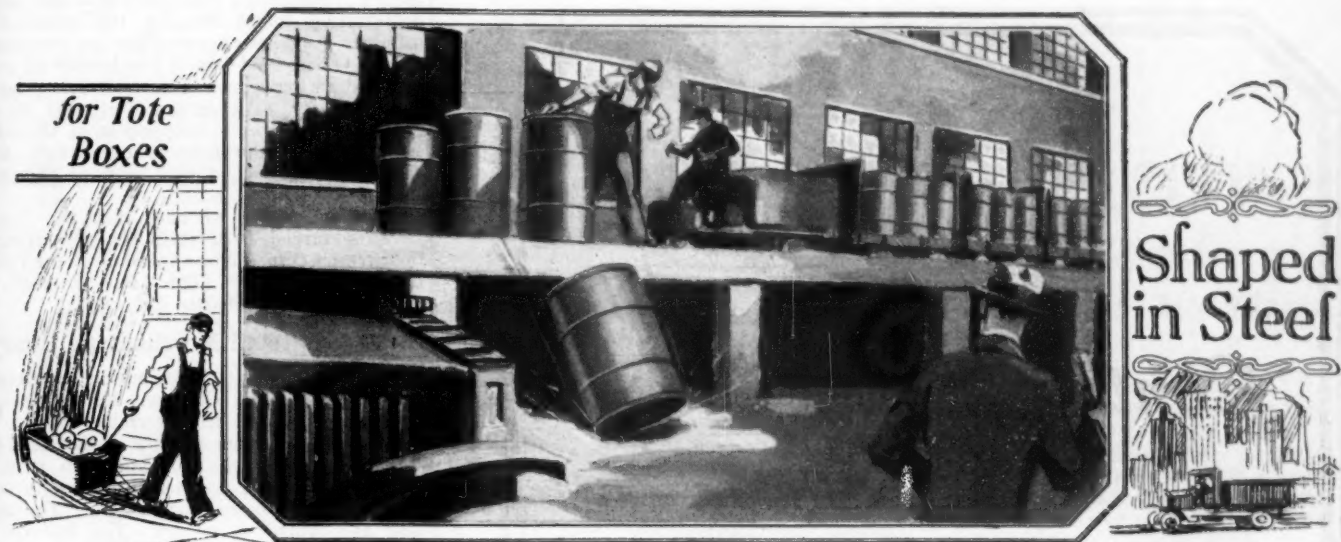
TO STIMULATE local interest in important current problems the Chamber of Commerce of Albion, Michigan, has arranged with the debating society of Albion College to use the National Chamber's referenda material for debates. This arrangement not only furnishes the debaters with important problems for discussion, but it focuses public interest on the questions presented. At these debates a vote is taken and, though it in no way constitutes the official action of the chamber, this expression of opinion makes the proceedings more interesting.

Luncheon Clubs and Chambers

HOW TO organize the cooperation that exists informally between luncheon clubs and chambers is a problem that has been met in some places by the formation of civic councils. The organizations are clearing houses of information, the members of which retain their own identities and control their own policies. A council merely supplements the informal contacts between the organizations.

Atlanta, Georgia, and Springfield, Massachusetts, have solved the difficulty with somewhat similar organizations composed of the presidents and past presidents of the different groups. Whenever there is anything that requires joint action, the council is called and plans worked out, but there are no regularly scheduled meetings.

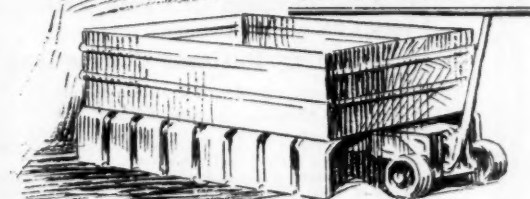
Opinion is divided on the wisdom of set-



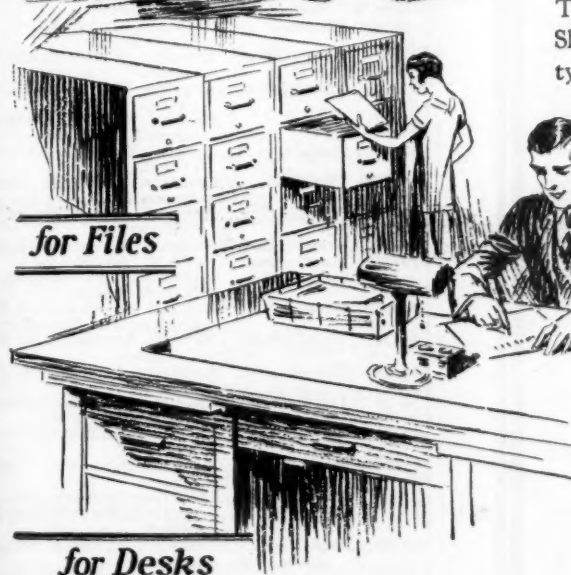
for Shelving



for Platforms



for Files



for Desks

Where the Service Is Most Severe You Will Find Sheet Steel in Use

"I have finally had photographs taken of the twelve barrels we purchased from you in July, 1912.

"These have been in continuous service and have made anywhere from 160 to 250 railroad trips. While they show some effect of the rough handling, they are in perfect condition and still in service. They seem never to wear out. I do want to say that we have never had any article that has given us the undivided satisfaction that these steel barrels have."

This letter from a customer to a Sheet Steel barrel manufacturer is a typical report of Sheet Steel service.

You will find Sheet Steel shelving that has been in service fifteen to twenty years moved from old buildings to new buildings, knocked down, rebuilt and re-arranged but still

giving its original service.

One of America's public utilities commenting on their all-steel furniture installation stated that they could not afford to buy furniture other than that made of steel. For in their business the extended margin of profit was fixed. Equipment with them could not be bought for five or ten years service. It must last a lifetime.

This choice of Sheet Steel for severe use carries a double message to the business men of America. To all of them it suggests the use of Sheet Steel wherever great strength, low cost, reduced up-keep, and enduring beauty are essentials. To many of them it offers a material that can be adopted to give their products those qualities which are inherent in Sheet Steel.

Many manufacturers have found it possible to capture an entire market by being the first to put Sheet Steel service on a commercial basis.

You will find many interesting suggestions in our booklet THE SERVICE OF SHEET STEEL TO THE PUBLIC. A copy will be mailed on request to the SHEET STEEL TRADE EXTENSION COMMITTEE, OLIVER BUILDING, PITTSBURGH, PENNSYLVANIA.



This trade-mark stenciled on galvanized Sheet Steel is definite insurance to the buyer that every sheet so branded is of prime quality—full weight for the gauge stamped on the sheet—never less than 28 gauge—and that the galvanizing is of the full weight and quality established by the SHEET STEEL TRADE EXTENSION COMMITTEE specification.

SHEET STEEL FOR SERVICE

Continental in Scope

Americans pay their bills by check. And one-sixth of the banks, the country over, use this institution as the central bank through which these checks are paid

**The CONTINENTAL and
COMMERCIAL
BANKS**
CHICAGO

RESOURCES HALF A BILLION—AND MORE

ting up any hard and fast organization and code of procedure. Some feel that any super-organization might dampen the alertness of members to grasp opportunities for community work. Others hold that it is a builder of goodwill and an important adjunct to civic progress. The majority of chambers feel that if machinery is set up for cooperation it should be scrapped after the need is over; and, when another need arises, a new machine should be set up.

It is interesting to note that the Topeka Civitans turned back their charter, giving as their reason, "for the best interests of the Chamber of Commerce." The Lions of that city turned back their charter last year.

Oregon Retail Merchants to Study

THE DOMESTIC Distribution Department of the National Chamber has drawn up a course of study on retail merchandising. This was done at the request of the Agricultural College of Oregon, which is going to give the retail merchants of the state a chance to study the fine points in their occupation. The topics that the course covers are: The history and origin of this phase of merchandising, finance and credit, costs, buying and selling, the store and its employees, and the relation of the store to the public.

Price Peace Plan Essay

IN ORDER to solve the problem of price cutting, Mr. Plaut of the Lehn and Fink Products Company has announced a contest with prizes totalling \$10,000 for the best answer to the problem.

The winning essay must make an attempt to solve, practically, the questions of "free goods" and "hidden discounts." The workability and legality of the plans are the chief criterions by which the plans will be judged. The jury is made up of well-known people.

The contest closes at noon, November 1, 1926, and all plans must at that time be in the hands of the "Price Peace Plan" editor, Lehn & Fink Products Company, 250 Park Avenue, New York City.

Coming Business Conventions

(From information available August 1)

Date	City	Organization
Sept. 1	Chicago	National Association of the Fur Industry.
1-3	Detroit	American Life Convention.
Week of West Baden	Association of Electragists—	
Sept. 2	Springs, Ind.	International.
3-4	St. Louis	American Baby Chick Producers Association.
7	New York	American Manufacturers Association.
13	Philadelphia	American Pharmaceutical Association.
14-17	Chicago	Railway Equipment Manufacturers Association.
15	Buffalo	National Wood Chemical Association.
15-17	Cleveland	American Industrial Lenders' Association.
15-17	Atlantic City	National Association of Life Underwriters.
19-25	Atlantic City	American Bakers Association.
20-23	Washington	National Association of Stationers, Office Outfitters and Manufacturers.
20-24	Philadelphia	National Association of Retail Clothiers and Furnishers.
20-24	Philadelphia	National Association of Retail Druggists.
20-25	Chicago	American Society for Steel Treating.
20-25	Denver	American Mining Congress (Western Division).
21-22	Atlantic City	American Institute of Accountants.
21-23	Detroit	Financial Advertisers Association.
21-23	Chicago	Track Supply Association.
25	Denver	American Silver Producers Association.
26-30	French Lick Springs, Ind.	National Wholesale Druggists Association.
27-30	Chicago	Advertising Specialty Association.
27 to Oct. 1	Detroit	American Foundrymen's Association.
28-30	New York	Association of North American Directory Publishers.

Conventions for which either the date or the place was not available: Bicycle Manufacturers Association; Cycle Jobbers Association of America; Cycle Trades of America, Inc.

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

A DIVISION OF cooperative marketing has been organized in the Bureau of Agricultural Economics of the Department of Agriculture,

New Division For Cooperative Marketing Work

in accordance with provisions of the Cooperative Marketing bill approved and signed by the President just before the Congress adjourned. Chris. L. Christensen, who for the last two years has been in charge of the cooperative marketing work in the same bureau, will be at the head of the new division.

The research, educational and service work relating to cooperative marketing will be considerably enlarged under the provisions of this act. Through the new division the Department will collect, study and disseminate information on the cooperative movement in the United States and foreign countries. Business technic and marketing methods developed by farmers' cooperative enterprises, and the experience and knowledge acquired by successful cooperative marketing associations will be studied and made available. Commodity cooperative marketing specialists familiar with the needs of cooperative organizations and with the research and service of the Department will be employed. As the act enables the Department to cooperate with educational organizations, it plans to assist agricultural colleges and cooperative associations to work out a comprehensive educational program in cooperative marketing.

IN CONNECTION with the development of quality standards for bag leather for the Federal Specifications Board, the Bureau of Standards examined several

Bag Leather Specification In Preparation

sides of commercial bag leather to determine their physical and chemical properties. Leathers with high grease contents showed greater tearing and tensile strength than the commercial material with lower grease contents, the Bureau reports. The investigation disclosed a lack of any recognized standard for the grease content of commercial leather, the amount varying from a minimum of 4 per cent to a maximum of 12 per cent. From the information obtained, limiting values will be selected for establishing a federal specification for bag leather to be supplied to the government departments. The Tanners' Council of America is cooperating through a committee of bag-leather tanners.

TO DETERMINE any difference between northern and southern pig irons which may account for the blistering of enamels when applied to

Reason Sought For Blistering Of Enamels

castings made of northern iron, the Bureau of Standards has examined a considerable number of castings, enameled in its own laboratory and in the plants of six manufacturers of enameled ware. Because of the variation of the enameling process in the different plants, the process of applying the enamel has been standardized by enameling all specimens in the Bureau's enamel laboratory with high temperature "wet process" enamel.

Several specimen castings have been enameled, the Bureau reports, representing sixteen heats of iron either melted in the Bureau's experimental cupola or in an electric furnace, using two types of northern iron as the basic irons. Some of the variables introduced in the heats were the type of furnace used, either cu-

Sky-high or cottage-low

lead paint withstands all weather

LEAD PAINT PROTECTS and beautifies the city skyscraper. And out where the grass begins, lead paint brightens and preserves the smallest country cottage.

The trained industrial builder, the careful small-house owner—both use paint made with pure Dutch Boy white-lead. The reason? If you ask your painter he will tell you several.

It costs little. Even the Dutch Boy white-lead is made from the metal lead, its cost is low enough to satisfy those who closely scan appropriations, those whose budgets are limited.

It goes far. One hundred pounds of all-lead Dutch Boy white-lead makes seven gallons of paint. These seven gallons will cover, one coat, from 3900 to 4500 sq. ft. of surface. And to "cover" means to hide, to protect against the elements, and to beautify. Here are added economies.

Any quantity can be mixed. There's no waste. Mix just the quantity of paint needed for a job—a half-pint or twenty gallons. It can be bought, too, from small one-pound tins to 100-pound kegs.

Have the colors you like. A greenish blue, a shadowy gray—all the tints and tones of the rainbow are possible with Dutch Boy white-lead. It is colored at

will, just enough of the exact hue. The tinting job is easy. You save money, and get the color you want.

A paint that serves every purpose. Dutch Boy white-lead makes a paint that can be used for odd jobs or big jobs; rich, unusual interior work; long-lasting, weather-resisting exterior work.

Paint guide sent free

It tells the whole story of this all-purpose, all-lead paint. Color illustrations of special outside and interior effects, correct paint formulas, and money-saving handy hints make this book well worth a letter. Just write to our Department of Decoration in care of our nearest branch. Any special questions will also be gladly answered by this department.

NATIONAL LEAD COMPANY

New York, 111 Broadway • Boston, 131 State Street • Buffalo, 116 Oak Street • Chicago, 900 West 18th Street • Cincinnati, 659 Freeman Avenue • Cleveland, 820 West Superior Avenue • St. Louis, 722 Chestnut Street • San Francisco, 485 California Street • Pittsburgh, National Lead & Oil Co. of Penna., 316 Fourth Avenue • Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut Street.

THE Dutch Boy trademark on a pail or keg of white-lead is your assurance of an all-lead product, made from the metal lead. Other products made under this trademark are—red-lead, solder, babbitt metals, and flaxing oil for use with white-lead in decorating interiors.



**DUTCH BOY
WHITE-LEAD**
Makes an All-Lead Paint



The amount of Parcel Post grows daily

THE increasing volume of merchandise transported via parcel post increases the chances of damage and loss. Despite the best efforts of the postal authorities, accidents happen. North America Parcel Post Insurance will give you needed protection against theft, damage and other perils of transportation. Buy a North America Coupon Book (sold in various convenient amounts) and insure each package as you wrap it. Send the coupon below for full information.

Insurance Company of North America

"The Oldest American Fire and Marine Insurance Company"

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. N-9

Name _____
Street _____
City _____ State _____
Wants information on Parcel Post Insurance

Founded 1792



THERE should be one magazine whose advertising pages constitute practically a directory of the best industrial announcements in the country.

Look over the pages of NATION'S BUSINESS with this in mind

THE GLEN SPRINGS

WATKINS GLEN, NEW YORK
Wm. E. Leffingwell, President

BEAUTIFULLY situated in an estate of 1,000 acres overlooking Seneca Lake, The Glen Springs offers appointments, service and cuisine of the best. Our own Dairy, Poultry Farm and Gardens assure fresh and wholesome supplies for the table. The famous Watkins Glen state park adjoins our property. The golf course is excellently kept, sporty and attractive. Tennis and other sports.

THE BATHS

All advantages of the European Spas. Radioactive Mineral Springs and the only Nauheim Baths given with a natural brine in this country. The baths and other treatments are especially suitable for heart, circulatory, kidney, nutritional and nervous disorders, rheumatism, gout and obesity. Complete medical and hydrotherapeutic facilities and modern aids to diagnosis.

Write for illustrated booklets

pola or electric; the number of times melted, especially in the electric furnace; and the additions of sulphur either with the charge or at the ladle, and additions of manganese in the furnace. In two tests scrap from previous melts was used. The results of the enameling so far done with these irons, indicate, the Bureau says, that the fluidity of the melt while being poured is probably one of the most important factors insuring castings free from the pin holes which cause blistering.

BECAUSE OF THE increasing use of colorings for enameled ware, the Bureau of Standards experimentally developed several coloring oxides

Coloring Oxides For Tinting Enameled Ware

and used them in three typical enamel formulas. Some of the oxides were added to batches of a series of enamels which were designed to show the effect of systematic changes in composition of the "Frit" upon the finished color. Some colored enamels were made by mixing the color-producing elements with the raw batch before melting; for example, blue and black. Other colors were added to the "frit" at the mill before grinding. Some of the more important results developed by the Bureau are:

When additions of coloring material are made before smelting they should be very thoroughly mixed with the raw batch to insure uniformity.

Slight variations in the tint of the coloring oxides may affect the shade of the resultant enamel and may be corrected by adding more or less of the oxide, as the need may be.

Calcined alumina may be used as a body or a diluting medium in the preparation of oxides, but an excess will affect the gloss and texture of the finished product.

In order to duplicate any oxide it is necessary that procedure and conditions may remain constant.

The clay addition to the mill batch should be reduced to a minimum and compensation provided by finer grinding in order to eliminate "scumming" of the fired surface.

In order to correlate the results of this investigation with plant practice the Bureau plans to use laboratory-prepared colors in the production of commercial enamels under plant conditions.

TWO TESTS to determine the stability under fire conditions of all-steel garages and the hazard to adjacent buildings, accompanying a complete burning-out of contents, have been

Sheet Steel Garages Are Fire Tested

made at the Bureau of Standards at the request of the Sheet Steel Trade Extension Committee,

which built the garages for the tests. The minimum allowable distance between such garages and the lot line, or adjacent buildings, varies widely in the building codes and fire regulations of different cities.

The interpretations of the results, the Bureau explains, depends on the assumptions relative to the degree of hazard to which a minor building, such as a garage, may expose a major building or another garage. If exposure of a degree that can be controlled with minor fire-fighting equipment or effort is to be permitted, it is apparent, the Bureau says, that the all-steel garage can be placed as close as one foot from the lot line for all walls except the door side, provided any windows in the wall next to the lot line or exposed building have fixed metal frames glazed with wire glass. Under the same conditions an all-steel garage would be no hazard to a similar garage two feet away. These tests, as well as some preliminary trials with the burning of gasoline in automobile gasoline tanks, disclose, the Bureau reports, that there is little probability of explosions occurring—if pressure develops because of vaporization of the gasoline, it is likely to be relieved before a high intensity is built up by

failure of the joints of the tank, forcing of the carburetor, or vacuum tank, or melting of soldered connections.

IN CONNECTION with the general investigation of the aging properties of soft rubber compounds, the Bureau of Standards found that

The Aging of Compounds of Soft Rubber

one light-colored compound retained its life very well if kept in the dark, but deteriorated rapidly in sunlight. Some tests were made to determine whether or not the deterioration in sunlight of this compound could be retarded by coloring it. In order to obtain data on the effect of color, two other compounds were made—one in which 2 per cent of carbon black was added and one in which 2 per cent of red oxide was added to the original compound. The three compounds—one white, one red, and one black—were then simultaneously exposed to sunlight for six months with tests at intervals of two months to determine the deterioration of each. The results showed that during this period the rate of deterioration of the light-colored compound was about five times as great as that of the black and about twice as great as that of the red.

While quantities of coloring materials added to the compounds were not sufficient to affect the tensile properties appreciably, exposure to light showed that the aging characteristics were greatly changed.

These tests point to the advantage of using dark-colored compounds in rubber articles which may be exposed to sunlight, the Bureau reports.

AN INVESTIGATION of the properties of brick, made with cyanite, a fire-resisting material, has been partly completed by M. S. Freed, a re-

Cyanite Brick Passes Test as a Refractory

search associate at the Bureau of Standards. The material used for the brick was taken from a deposit in India. Much of this material, the Bureau reports, contains more than 95 per cent pure cyanite.

Cyanite, either raw or calcined, pure or bonded with clay, the Bureau explains, produced refractory bodies capable of withstanding standard and modified laboratory tests for high grade refractories. The bodies so produced showed high resistance to "spalling" and to deformation under load at high temperatures, with a uniform and low thermal expansion and a high melting point.

Laboratory tests disclosed that the specimens were as high in quality as many so-called "super-refractories" now on the market, the Bureau reports.

INCREASING THE EFFICIENCY of automobile engines is the problem discussed by H. H. Hill, chief petroleum engineer of the Bureau of


Economies in Use of Motor Fuels Forecast

Mines, in Information Circular 6003. Considering the belief of some engineers that the efficiency of the present type of engine can be doubled, Mr. Hill directs attention to the effect of that improvement on the consumption of gasoline—40,000,000 cars and trucks could then be operated on the quantity of gasoline now required, or the motor vehicles now in use could be operated on one-half the gasoline now required for fuel, he says.

A new fuel that will stand high compression will be needed, he believes, to obtain satisfactory results.

Several refiners are now making efforts, Mr. Hill reports, to develop fuels, and he thinks it possible that a suitable fuel will be available by the time a new type of engine is in general use.

Circular 6003 is obtainable on application to the Bureau of Mines, Department of Commerce, Washington, D. C.



MAPLE BODY FRAMES

for super-strength plus great resiliency

BUILDERS of high-class cars feel warranted by experiment and experience in continuing the use of good hardwood for body frames.

The slow, even growth of Michigan and Wisconsin HARD MAPLE produces a super-hard hardwood, firm of fibre, tough and uniform of texture. It is one of the strongest of American hardwoods. In tension or compression along the grain, also in bending, Hard Maple is stronger than a steel part of the same length and weight.

Add to the above, its great screw holding power, plus its high finishing qualities, and it is easy to appreciate the rapidly extending preference for Northern HARD MAPLE, the "rattle-proof" hardwood, in body building. Also, ideal for seats, steps, rails and floors of motor busses. Steering wheels are likewise of HARD MAPLE and so are the spokes and felloes of heavy duty truck wheels.

Perhaps it offers equally advantageous utilization in your product

HARD MAPLE may be had in mixed cars with Beech, Birch and other desirable Northern Hardwoods. Write for list of Member Mills.

Ask for **FREE BOOK** "Hard Maple in the Industries" is a handbook on the many profitable applications of this super-hardwood. 60 pages, 32 illustrations, 10 tables of official tests and authentic data on all commercial American hardwoods.

NORTHERN HARD MAPLE MFRS.
309 F. R. A. Building Oshkosh, Wis.

Use Low Grades of HARD MAPLE for High Grade Crates and Boxes. More strength with less weight. Saves space, risk and freight. Holds nails tight, and delivers goods intact—best for export.

THE HARDEST HARDWOODS GROW IN THE NORTH

"Science—a labor-saving and time-saving device"

Mr. E. E. Slosson, in NATION'S
BUSINESS for June, 1926

INDUSTRY can no longer assume that an operation is being done efficiently until it has been studied from the angles of equipment, materials and methods. Today the saving of the smallest fraction of a cent per unit—where thousands of units are produced per year—is considered worth while.

In industrial cleaning, scientific materials and methods have replaced obsolete and inefficient practices. Today the foremost manufacturing organizations in over three hundred different industries use Oakite materials and methods because they are scientific, labor-saving, time-saving, economical.

An Oakite Service Man is ready to prescribe better cleaning for your plant. Spend a few minutes with him. It will pay you; or, write for any of the booklets listed below.

- No. 879. Cleaning Waste and Wiping Cloths.
- 881. Modern Metal Cleaning.
- 1422. Oakite in Power Plants.
- 997. Wet Finishing Textiles.
- 1042. Modern Cutting and Grinding.
- 1053. Service Stations, Garages, Paint Shops.
- 1130. Oakite in Institutions.
- 1182. Cleaning in Dairy Industry.
- 1216. Automobile, Truck, Tractor, and Airplane Mfrs.
- 1222. Cleaning in Railroad and Car Shops.
- 1251. Cleaning in Hotels.



Oakite Service Men, cleaning specialists, are located at:—

Albany, Allentown, Pa., *Atlanta, Ga., Baltimore, *Boston, Bridgeport, *Brooklyn, Buffalo, Camden, Charlotte, N. C., *Chicago, *Cincinnati, *Cleveland, *Columbus, Ohio, *Dallas, *Davenport, *Dayton, *Denver, *Des Moines, *Detroit, Erie, Flint, Mich., *Grand Rapids, Harrisburg, Hartford, *Indianapolis, Jacksonville, Fla., *Kansas City, *Los Angeles, Louisville, Ky., *Milwaukee, *Minneapolis, *Montreal, Newark, Newburgh, N. Y., New Haven, *New York, *Oakland, Cal., Philadelphia, *Pittsburgh, Portland, Me., *Portland, Ore., Providence, Reading, *Rochester, Rockford, Rock Island, *San Francisco, *Seattle, *St. Louis, Springfield, Ill., Syracuse, *Toledo, *Toronto, *Tulsa, Okla., Utica, *Vancouver, B. C., Williamsport, Pa., Worcester.

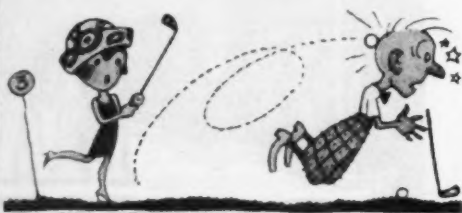
*Stocks of Oakite Materials are carried in these cities

OAKITE

Industrial Cleaning Materials and Methods
OAKITE IS MANUFACTURED BY OAKLEY CHEMICAL CO.
24A THAMES ST., NEW YORK N.Y.

Chips from the Editor's Work Bench

A RECOMMENDATION that golfers and those who watch them should either get insured or wear protective armor is made by C. E. Rickard of Detroit. When addressing the Insurance Advertisers Association at Philadelphia, he said that returns on a sports policy issued by several insurance companies show that the greatest number of accidents occur to persons who



play golf or happen to be where the game is being played. It won't do to take snap judgment that all golfers are bad risks, but Mr. Rickard's report does put a mental hazard in belief that golf is a game for gaining health and losing temper.

A FLEET of gondolas with their attending gondoliers is a new garniture to make Florida's architectural renaissance a bit more chromatic. For the artificial canals of Miami, several of the picturesque "taxis" of Venice have been imported to give an old-world air to a new-world scene. Put out of profitable competition on their home waters by motor boats, these relics of a simpler age now survive on the bounty produced by the scientific industrialism of a foreign land. The worshipper of the "good old days" may take comfort in the new lease of life for the gondolier, though the dispensation gets down to the fact that means for preserving the antiquated practices and perfections of the past come from the surplus of wealth provided by modern labor-saving methodism.

DISCOVERY by those University of California physicists that a speaker may be heard more clearly in the open air than in any auditorium is scientific progress of a sort, but the world's work would be much farther along if better hearing could assure better understanding.

AN ENCOURAGING measure of the progress of aircraft manufacture in the United States is provided by a Department of Commerce report for the years 1923 and 1925. The number of airplanes manufactured increased from 505 to 621, though the number of flying boats and seaplanes decreased from 82 to 78. These products, with the extra parts produced, were valued at \$12,277,000 in 1925 and \$12,945,000 in 1923, a shrinkage of 5.2 per cent. During the two-year period, six new factories began operations, making a total of thirty-nine at the end of 1925. Of these plants, fourteen are located in New York, five in Ohio, three in California, two each in Illinois, Kansas, Michigan, New Jersey, and Pennsylvania, and the remainder in seven other states.

Apart from the useful facilities and resources of the factories is the favorable legislative situation provided by congressional action. Among the measures calculated to accelerate the development of aviation are the Parker-Bingham civil aviation act, intended to promote and safeguard com-

mercial flying, and the army and navy aviation acts providing suitable appropriations for a five-year construction and training program.

With this sympathetic support the aircraft industry is now in position, perhaps for the first time, to obtain a dependable estimate of the government's requirements over a period of years—a circumstance that should help to put the industry on a more business-like foundation. For the nation the benefit from such constructive measures is incalculable. New defense plans will be possible, along with a concurrent expansion of civil aviation. The impressive enlargement of the air mail service by contractual arrangements and the organization of other commercial services is suggestive of the gain of public confidence in the safety and security of flying. That developing national state of mind and the present assurance to the industry of continuing demand for its products defines for the people of these states the alluring possibility of world leadership in aviation.

ALTHOUGH consumption of apples in the United States is less than the proverbial "apple a day," averaging about three a week for each person, the American people lead the world in apple eating, according to the Department of Agriculture. For answer to the profane query, "What of it?" consider the disturbing consequences of a taste for apples. And who knows whether a cider tippler is less gullible than an apple sauce addict. Some day some one may get around to writing "The Confessions of an American Apple Eater." Much more convincing than the consumption figures, of course, would be a lineup of all those doctors who were kept away.

BELIEF that "apparel oft proclaims the man" got into the slogan "dress well and succeed," and now a practitioner of suggestive therapeutics is advocating clothes for cures—"dress up and be well," she tells women. And why not this counsel for men, too? What better setting-up exercise than



a new suit? What better medicine than a new overcoat to put up a good front, or a swanky lounge robe for that tired-businessman feeling? These prescriptions for successful stepping up or stepping out are pleasant in prospect, and the enjoyment of their benefits waits not on the practice of medicos but on the practice of merchants—whether that practice be cash, charge or something down and something now and then.

AMERICAN store methods transplanted by H. Gordon Selfridge to his department store in London have made a sizable lot of money for him, and so it was reasonable that he should make it possible for a group of his employees to see the methods in the original. For the trip the store gave each member of the party \$150 and ar-



An INDIA Contribution to Tire Mileage



Photograph of a high grade, heavy gauge inner tube of standard make showing the results of heat from high speed service and from aging.

Heat and aging of inner tubes have been the greatest enemies of tire mileage.

High speed generates high heat which over-cures ordinary inner tubes—deadens them so they split, wear thru and puncture easily.

This is particularly true with balloon tires, as they are subjected continuously to extreme flexing action which burns up ordinary tubes faster than ever.

The India TRUE-BLUE (Heat-Proof) inner tube is the first to successfully overcome this condition. In a laboratory aging test, as used by leading tire manufacturers, the TRUE-BLUE tube was the only one, of a dozen makes, to retain its elasticity and tensile strength. All the others were easily broken with the fingers.

This is only one of the exclusive features which account for the long uninterrupted mileage INDIA tires are giving.

INDIA

TRUE BLUE

HEAT PROOF

INNER TUBES



INDIA TIRE & RUBBER CO., AAKRON, OHIO.

When buying INDIA TIRES please mention Nation's Business to the dealer

The Demand That Cantine Quality Built

*Printers and advertisers unite in appreciation**

ONLY by the use of papers with superlative printing surfaces can you realize a full return on an investment in costly art work, engraving and presswork.

The delicate serifs of a beautiful type face, details of expensive color-plate work and the effectiveness of fine screen or line reproduction are often lost, or impaired, by the poor printing surface of an "economical" paper.

Back in 1888, Martin Cantine subscribed to a simple old philosophy in founding his paper coating business—"It pays to do one thing exceptionally well." His original plant had an output of about two tons a day. The working force numbered thirteen.

Today the Cantine mills at Saugerries, N. Y., produce from eighty to a hundred tons of coated papers exclusively, a day! And the payroll has increased to four hundred. This healthy development has been made possible by the growing esteem which Cantine papers have been accorded as the appreciation of them by both printers and advertisers has spread.

Buyers of sales literature must, today, insist on a maximum of impressiveness in every piece of printed matter



they send out. Those who have made a careful study of it know that the choice of paper can easily halve or double the value of an otherwise splendid piece of printing.

Be sure! For impressive, soft-toned effects on a dull-coated stock, specify—Velvetone. For striking, sharply detailed halftone reproduction—Ashokan. For all extraordinary printing and folding requirements—Canfold.

*Send for booklet "Martin Cantine and his Papers."

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NATION'S BUSINESS
Washington, D. C.

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ranged to lend the balance required, repayable in instalments.

Labeled as "merchant adventurers" because they believe business in this day is as hazardous as in the times of the Florentine Medici and the Venetian Doges, the voyagers set sail from Southampton for New York, with Chicago as their western objective. To the trite evaluation of travel as a broadening experience, the Selfridge store has offered the interesting amendment of belief that it pays. It would be easy to twit those English business men on their belated discovery of America if so many Americans weren't troubled with a defective national vision.

A STATISTICAL fragment tells that the consumption of Babbitt metal in 1925 amounted to 62,405,000 pounds, and for the first five months of 1926 to 26,179,000 pounds. It probably would be easy to show that a good many enterprises got their bearings of Babbitt long before Sinclair Lewis bore down upon him. There's something more than the point of an epigram in knowing the vast difference between assaying a man's metal and assaying his mettle.

ALWAYS diligent in good works, the chemists have thoughtfully provided a sovereign balm to ease the qualms and quivers of a nation election bent—the National Lime Association has announced two



simple formulas for making whitewash. By adding a quart of crude carbolic acid to either of the mixtures, the Association explains, a mild disinfectant and insecticide is produced. With such a transforming douche ready to hand, no candidate should now be pardoned for seeming less than lily white.

BICYCLES have not yet gone the way of the chariot of Jehu, but they seem to be on the way out. So implies a government report, showing that the number manufactured dwindled from 480,000 in 1923 to 287,400 in 1925, a decrease of 40.1 per cent in two years, though the number of factories remained stationary at 25. Workmen in those factories declined in number from 3,120 to 1,850, and the value of the products shrank from \$16,708,207 to \$11,281,314, a fall of 32.5 per cent.

To that lean estate the bicycle has been pedaled in twenty-five years, for at the turn of the century wheelmen and wheelmen's clubs were everywhere. Wheeling was a national sport, and the bicycle was a usual accessory to the world's work and play. But if the bicycle has had its day, that day was lively and memorable. Here and there the embers of its pride still glow ardently—the "six-day" races continue to draw profitable clots of customers, and the acrobatic bicycle act is among vaudeville's most staple numbers.

For the motorcycle the report also goes down grade. The number of machines was reduced from 41,894 in 1923 to 39,340 in 1925, their value fell from \$10,024,500 to



Where Grinding Enters the Business Office

The business office had to be speeded up—it's a high speed age. Inventive genius has produced countless office machines and appliances that facilitate working with speed and accuracy.

Not long ago, the cumbersome letter press was about the only thing in the nature of machine equipment in a business office. To-day, the man of business dictates his letters into a speaking tube, and with the aid of the phonograph and the typewriter they are transcribed to the letterhead. Letters are duplicated by clever devices, folded, sealed in envelopes and stamped or metered by machinery.

Calculating machines add, subtract and manipulate figures mechanically. Accounting, cost-finding, bookkeeping, billing, advertising, in fact, every branch of business has its equipment of machines and appliances made to save labor and time.

In the production of these appliances' grinding operations are responsible in a large measure, especially for the hundreds of small die cast and die stamped parts where extreme accuracy is a leading essential. In the tool room where the dies are fashioned, grinding—Alundum and Crystolon abrasive products and Norton Grinding Machines—plays an essential part.

Thus, grinding and these electric furnace abrasives enter the modern business office. The usefulness of grinding does not end in the machine shop, it really begins there.

NORTON COMPANY
Worcester, Mass.

NORTON

Grinding Wheels
Grinding Machines



Refractories—Floor
and Stair Tiles



Service

"I want you to know that we very much appreciate the special service you gave the collection which we forwarded to you a few days ago. Our customer, a local investment house, wishes us to convey its deep appreciation of the interest you have shown. Thank you for your SPLENDID SERVICE."

THIS extract from a letter, recently received by us from a western correspondent bank, refers to a called bond forwarded for collection. The instructions specified the amount to be credited as \$1,045, covering the called price and interest.

Our Collection Department, knowing that, due to conversion privileges, this bond was quoted on the market at a higher rate, sold it for \$1,320. As a result, the correspondent's customer netted \$275 more than he expected.

Individual attention to each transaction is a characteristic of Irving-Columbia service in handling the business of its customers.

OUT-OF-TOWN OFFICE

**IRVING BANK-COLUMBIA
TRUST COMPANY**

Woolworth Building, New York

\$8,873,917, the workmen decreased from 3,454 to 2,302, and the number of plants declined from 14 to 10.

To explain the situation of these two industries is to take notice of the availability of other forms of transportation at an attractive cheapness—the street railway, the motor car, the motor cab, and the motor bus all have contributed a progressive competition in accomplishing the amazing mobility of the American people. But a more important factor in fixing the choice of vehicle is the continual elevation of the American standard of living. Who would have predicted ten years ago that a motor car would ever be too cheap to sell? Yet in this day one of the most perplexing automobile sales problems is not to find enough people with the means to maintain the cheapest car, as it was ten years ago, but rather to find a market big enough to sustain mass production of the cheapest car.

The reason is plain and unmistakable. A prosperity, which is the wonder of the world, has pushed up the individual expenditures for luxuries to higher and higher levels—a mass demand for the luxuries of locomotion, as well as for the luxuries of other aspects of living.

A PART from any notion that a hotel with a volcano on the premises could easily come by a reputation for big blowouts, the contract between the government and the Kilauea Volcano House Company, Limited,



does present a novel capitalization of natural resources. The agreement is to stand for twenty years, provided, of course, that the volcano does not take it into its head to terminate the lease—perhaps that contingency is covered by the word "Limited" in the company's title.

NOW THAT a Brooklyn judge has ruled that a hearse is a pleasure vehicle the benefits of relaxed motoring are open to every one. And comfort should be more complete for escaping that businesslike query, "Where to, chief?"

THE PLASTER of paternalism in Mussolini's latest decrees still leaves a bare patch of liberty—at least, the people can do their own Christmas shopping.

WITH THE organization of an alimony bureau in Cook County, Illinois, the matter of collecting and distributing the \$5,000,000 annually paid by husbands to their former wives gets down to a methodical business. Judge Sabath, who sponsored the bureau, explained that—

... every day mothers appeal to me for assistance in enforcing the payment of alimony to them. In many cases they are too poor to hire an attorney, and the lawyer, in most cases, insists upon half the alimony as his fee if he accepts the case.

Payment of alimony should, of course, be put on a businesslike basis, and the women seem to have found that a state of alimony can't exist half slave and half fee.



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Reviews of Recent Business Books

Ports and Terminal Facilities (New Second Edition) by Roy S. MacElwee, McGraw-Hill Book Company, Inc., 1926.

MacElwee's "Ports and Terminal Facilities" was first published in 1918, and won for itself an outstanding place in American transportation literature. Now the Port Commissioner of Charleston, S. C., comes out with an entirely rewritten edition which is much more detailed than its predecessor and covers all the new features of the highly competitive field of port development. This is strictly a discussion of what a well coordinated seaport should be, including the material equipment of piers and quays and docks, and the rapidly improving hoisting and conveying devices, the different kinds of trucks from hand trucks up through the development of the small electric trucks and the recent application of the gasoline tractor, equipped with water muffler to avoid fire hazard, to transit shed and warehouse use.

In revising this work, Dr. MacElwee has included the most recent enterprises and projects for development of industrial harbors, at home and abroad, and has summarized in one-two-three order the economic principles on which the subject under discussion depends.

One of the most interesting contributions in "Ports and Terminal Facilities" is the discussion of the advantages of the broad quay or quay pier over the old New York type of narrow piers, constructed at right angles to the stream. There are pictures, sketches, designs and tabulations to illustrate and amplify the text. Dr. MacElwee is fortunate in being able to bring to bear on this topic a wealth of personal travel and residence in the seaports of foreign countries.

—C. D. S.

Economic Government in the United States, by A. H. Dixon, McIndoo Publishing Company, Kansas City, Mo., 1926. \$2.00.

An easily read text-book advocating economy in government. Each chapter is supplemented by questions for classroom use.

The writer would prohibit federal aid by Constitutional Amendment, repeal the Income Tax Amendment, prohibit the issue of tax-free securities, and lower tariff and excise taxes on necessities and increase them on luxuries.

Foreign Trade in 1926, issued by the Secretary, National Foreign Trade Convention Headquarters, New York, N. Y., 1926. \$2.50.

"Foreign Trade in 1926," the thirteenth in the series of reports of the conventions of the National Foreign Trade Council, has just been issued. For the first time the volume is comprehensively indexed, so that the 900 or more items of foreign trade covered at this year's convention, which was held at Charleston, S. C., April 28-30, 1926, are readily available for use by active foreign traders, research students and trade organizations, concerned with the development of American international commerce.

A distinguishing feature of the convention was the Canada session. The occasion set a precedent in being the first time that the entire body of delegates at one of these conventions was addressed by business men invited from outside the United States. The addresses delivered emphasized concrete ways and means of cooperation and mutual understanding between business men in Canada and the United States engaged in foreign trade, and will be followed by similar sessions at subsequent annual conventions.

The foreign trade of the United States for the calendar year 1925 exceeded in value that of 1924 by more than \$900,000,000 and in volume by more than a million and a half tons. The increase of exports was 6.9 per cent and the increase of imports was 17.1 per cent.

America's foreign trade is in a firmer posi-

tion than ever before, for our trade practice has been so improved that our competitors recognize it as standard in world commerce.

Despite the continued world-wide depression in the shipping business more ships are now operating under the American flag and a larger proportion of our cargo is carried in American vessels than at any time in the last sixty years.

The Life of William Dempster Hoard, by George William Rankin. Published by W. D. Hoard, Fort Atkinson, Wisconsin, 1925.

William Dempster Hoard was among the first to see the necessity of animal husbandry in the practice of agriculture. Dairying was to him merely an expression of sound agriculture because it builds for permanency. He had seen the westward movement rob lands of their fertility, and afterwards the same lands magically reclaimed by the introduction of dairying and diversified farming.

Hoard and his publications were the champions of the dairying movement; and throughout the bitter experience of the debasement of Wisconsin's greatest product, cheese, Hoard fought for honest food products.

As Governor of his state, Hoard devoted most of his attention to education and agriculture. He established the Dairy and Food Commission; but the stand that he took on the Bennett Law is of more importance. This law made it compulsory for "all children between seven and fourteen to attend school and there receive instruction in the common branches taught in the English language for a period of not less than twelve weeks during each year," to quote the author's analysis of the law. It was passed without any opposition, but later aroused very bitter protests. Hoard believing the law right would not side-step the issue and was defeated in his candidacy for a second term as Governor.

In the Foreword of the book the author writes that the book "is written for the farm boy and girl, to instill into their youthful minds the thought that agriculture is an honorable profession and that in its fullest extent it calls for keen intellects and trained minds." It is more than that though, it is another story of a man who fought the good fight bravely.

Creating and Conserving Estates, by Alexander C. Robinson and Edward A. Woods. F. S. Crofts and Company, New York, N. Y. 1926. \$3.00.

This volume of The International Life Underwriters' Library is one that every one, who expects to die, might read with profit.

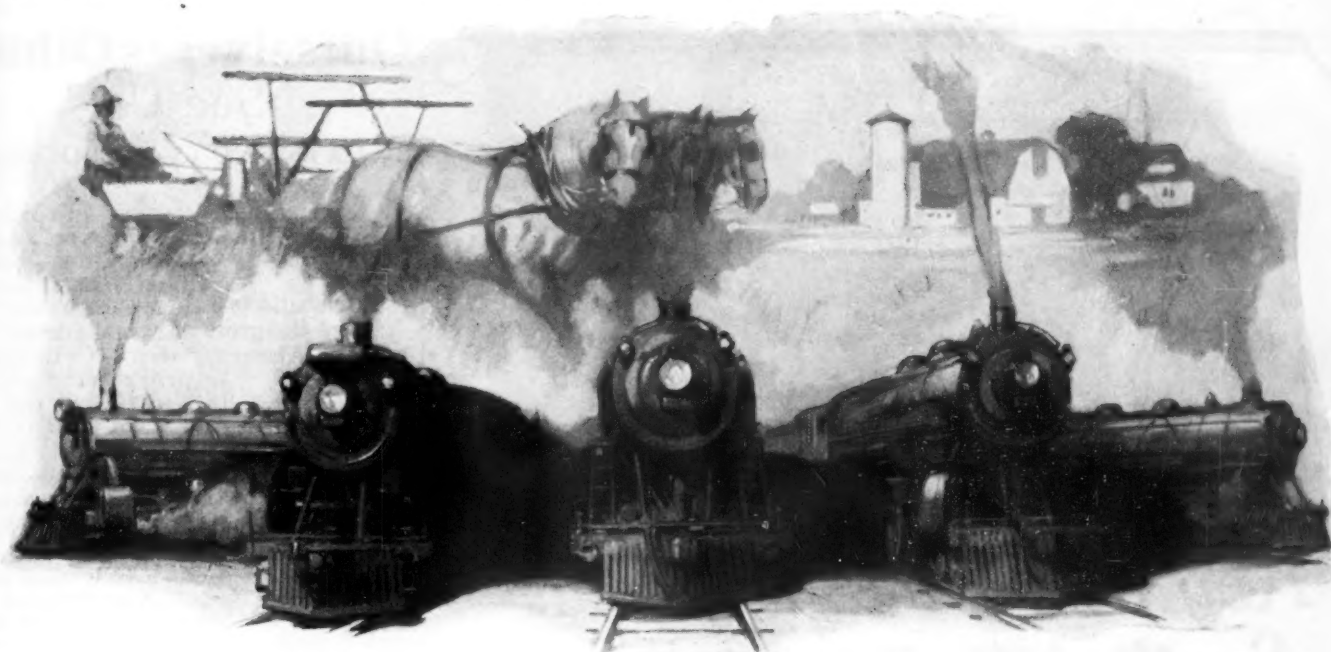
It is a timely contribution of two outstanding men in their respective fields to the development of active cooperation between trust companies and life insurance companies.

Trust companies, as trustees, have shown greater efficiency than private executors in the administration of estates as much as other professionals exceed other amateurs.

Life insurance or other cash is necessary to pay "death taxes" and other expenses at death. On the other hand, life insurance paid in cash is often squandered or lost by inexperienced persons receiving it.

The authors have stated and quite effectively proven that the best way to protect an estate against shrinkage at death is by life insurance. The best way to protect it after death is by trust company management.

Also, by cooperation between insurance and trust companies, a "life insurance trust" may be created; i. e., at the trust company are deposited securities, the yields of which pay premiums on insurance; both the securities and the insurance are available to the beneficiary upon the death of the insured. The life insurance trust does not need to be probated and cannot be contested, as in the case of a will.



The largest food distributor *in the world*

AN INLAND SEA of waving grain is ripening in the Middle West. A nation awaits the harvest—for a quickening of business, for food another year, for prosperity on its farms.

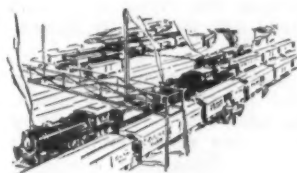
A great transportation system prepares for its part in the Drama of Wheat. From the heart of America its 11,500 miles of arteries must carry this new lifeblood to the nation. Already an army of 50,000 workers is bent to the task.

Advance scouts have estimated the crop movement. Ten thousand cars are at strategic points. Over its rails must move 150,000 cars of grain—more than is carried by any other railroad.

And yet the vast movement of grain is only one of its tasks. It carries more live stock than any other railroad. It carries more food products, raw and manufactured, than any other railroad.

The Burlington railroad is the largest food distributor in the world.

Spread a hand, fanlike, on a map of the United States, with the base of the palm at Chicago, and the tips of the fingers touching the Rock-



For 75 Years

The Burlington has completed seventy-five years of successful railroad service. The Burlington has never been in the hands of a receiver; it has never defaulted on a financial obligation. The Burlington has counted success as necessary to a useful existence. It knows no other way to provide the high class of service the public has demanded and which the Burlington has made its first purpose

H. C. Allen

PRESIDENT OF THE BURLINGTON

ies, the Northwest, the Gulf region. It represents, roughly, the main lines of the Burlington.

It is a hand that feeds a nation. Within its reach, on a third of our land area, is produced: Two-thirds of the oats, more than half of the corn, more than half of the barley, half of the

hogs, half of the wheat, nearly half of the cattle and nearly half of the sugar beets grown in the United States.

In the growth of this great Empire of Food the hand of the Burlington again is seen. It helped build rich farming communities on uninhabited prairies, it fostered a giant beet sugar industry, it helped develop a great live stock industry, it demonstrated better farming methods.

And now the perfection of a distribution system to serve this great food empire—a service that is yet a modern marvel. Fresh, tender vegetables come from Texas at express speed. Apples and eggs in refrigerator cars roll in from the distant Northwest. Luscious strawberries from the southland are delivered in their dewy freshness of yesterday. Trainloads of live stock run on passenger train schedules.

All this is the achievement of a *successful* railroad. The success of 75 years has enabled the Chicago, Burlington & Quincy Railroad to provide the kind of equipment and operation that insure the highest type of modern railroad service.

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North, South and West from Brunswick's economy harbor, the astounding development of the Southeast United States unfolds twenty million prosperous consumers.

In 77 of 133 cities, in Brunswick's trade area, the 1924 building record of \$230,000,000 rose to \$459,000,000 in 1925. Population grew faster.

Brunswick's land-locked harbor is the key to this rich empire. The largest ocean-going vessels enter without tug in two hours—seven miles from the open sea to the farthest dock.

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Three trunk-line railway systems—Southern, Atlanta, Birmingham & Atlantic, Atlantic Coast Line—radiate out through the vigorous Southeast. Florida is nearby. Georgia, Alabama, Tennessee, the Carolinas, Mississippi are rich in natural resources and markets, within a day of Brunswick. St. Louis, Louisville, Cincinnati, Chicago are closer than they are to the North Atlantic. South America, Southern Europe, the Near East and the Orient are nearer to Brunswick.

Iron and coal from Birmingham, phosphates from Florida, minerals and clays from nearby Georgia points reach Brunswick at low cost. Coastwise shipping offers inexpensive fuel oil. Rosin and turpentine are produced in vast quantities. Pure water gushes from artesian wells.

Production hums the year 'round. Brunswick's climate assures this. Warmed by the Gulf Stream, winter temperatures average 59; summer 76, cooled by ocean breezes. Cold never pushes costs up, never interferes with outdoor work. The climate cuts investment in buildings, often in equipment.

Alert native labor is plentiful. Living is inexpensive. Disturbing elements are lacking.

New industry is exempt from local taxes for five years. State levies are low. Georgia has no income nor inheritance tax. Sites with both trackage and frontage on the Atlantic's finest land-locked harbor will be provided suitable industries.

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Investigation will show what Brunswick offers you. Questions will be accurately, helpfully answered. Tell your secretary to write for the gripping story of Brunswick, a 24-page book, today.

BRUNSWICK

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Georgia

Ourselves as Others See Us

By RAYMOND C. WILLOUGHBY

A REMARKABLE COMMENTARY on America's policy of well-being is contributed to *Le Correspondant* by Bernard Fay, "a close observer of American life." In

Others Have Viewed Congress With Alarm

the world's devout imitation of Germany's progressive military methodism from 1870 to 1915 he sees reason for belief that the world will as readily turn to the United States for guidance toward the objective of well-being for the individual man. As quoted by the *London Review of Reviews*, Mr. Fay likes to think that

the policy of prestige has disappeared from our fortunate world, and with it many causes or occasions of war. The taste of an ample and easy life has made men hostile to any ideas of armed conflict, for war is but suffering and destruction. . . . It would seem . . . to be a wise method to apply to the internal life of a people, and one that assures a state of social peace which is very much to be envied. To a Frenchman the United States in that respect offers an interesting example. But there is one point that remains obscure: this policy of well-being for the individual man considered as the essential objective of government, may it not some day lead to rivalries as unhappy as the old territorial jealousies. It is too soon to say. The experience of the United States will be decisive in that regard . . . When I regard the American masses . . . I am filled with hope. But when I have been present at a session of Congress my mind is gravely troubled. Can it be that the democratic regime is fatally founded on the practice of Jealousy? And is it the destiny of democracy at its highest development to transfer this jealousy from the internal life of a nation to the international domain?

OUT OF THE melting pot onto the grid-iron is a career that has provided a sort of continuation course in Americanization for a good many

All-American Names for All- American Teams

sons of the foreign born in this land. Football lineups with names that bear the marks of several national stocks must have caught the eye of an English editor, for the *London Spectator* contrives a paragraph of sonorous syllables well calculated to give body and color to the rhythmic clamor of college cheering sections. As picked by the *Spectator*, this all-American lineup reads:

Archosko, Barbuti, Buono, Berkowitz, d'Aloia, Farina, Kuzco, Liebensperger, Lorentzen, Magner, Manofiski, Molenda, Oosterbaan, Osnato, Schimetitsch, Seslt, Surabian, Zakszewski, Zingg, and Zollin. We can hear the football coaches megaphoning: "Step on it, Schimetitsch! Zip into it, Zingg! Attaboy, Archosko."

ON TAKING THE measure of shifts in our population caused by internal and external forces, Professor Charles Soroalea reports in *La Revue Belge* that before the

Prophetic Words On the Vanishing Wheat Surplus

war the United States was one of the granaries of the world, but today the wheat surplus is almost totally absorbed by the increasing needs of a growing population, leaving a progressively smaller quantity available for export—"in twenty years from now the United States will no

longer, perhaps, produce sufficient wheat to meet the internal demand." As quoted by the London *Review of Reviews*, Professor Sarolea finds that

the most disquieting circumstance revealed by the figures of the American census is the progressive growth of the urban at the expense of the rural population. The urban population of Rhode Island represents 97 per cent, that of Massachusetts 94 per cent, that of New York 92 per cent, that of New Jersey 78 per cent, that of California 68 per cent, that of Pennsylvania 64 per cent of the total population. If this process continues some decades longer, America will offer a phenomenon without a parallel in human history. It will furnish the spectacle of a giant nation composed almost entirely of town-dwellers. And not only has the population of the towns enormously increased, but, more singular, the rural population is ceasing to be rural. The machine has industrialized agriculture to such an extent that the farmers themselves tend more and more to live in towns.

To SOME in this world America's Fourth of July celebrations may seem only a traditional spectacle of sound and fury, a

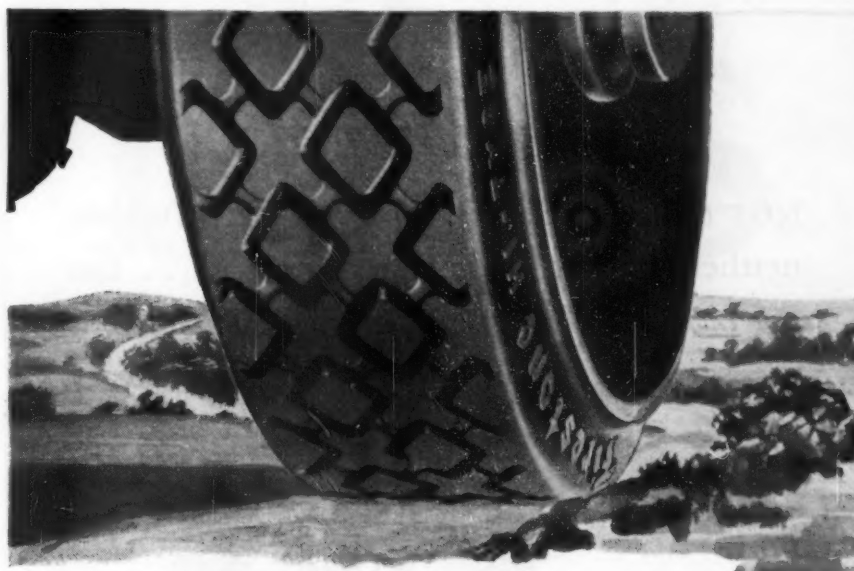
These Opinions Help to Make It Unanimous

sort of explosive emotional spree, a time when the air is filled with deafening broadsides and broadcasts, a time when a speech with a band is worth two in a bush, a time when patriotism takes off its dignity and revels in barbecues, bombs, and bombast, but those uproarious professions of patriotism are only an exuberant excess of spirit to emphasize the great day's importance, for, as the *Manchester Guardian Weekly* puts it, "the surpassing interest of this year's Fourth of July should not need underlining for any section of the English-speaking peoples." A brief backward glance visualizes decisive factors in our national progress—the "winning of the west," the effective beginning of large-scale industry, and the opening of the doors to immigration. As the *Guardian* sees it,

The impressive result of all this lies before us today in the most powerful single nation of the modern age, the most complete example of republican democracy, the greatest accumulation of wealth, and the highest standard of material well-being so far attained and diffused among men. To the wonder of that unique communal achievement as embodied in the United States the entire world is paying tribute today, while along with the tribute thoughtful men in all countries are framing questions which tend to take on an ever more searching character as to the probable lines of development which the greatest of Republics is destined to follow in the half-century that lies immediately ahead.

From the London *Spectator* comes another confirmatory measure of America's prosperity, though it is qualified with the caution that the democratization of wealth should not be mistaken for absolute materialism. In the *Spectator's* view,

The 150th anniversary of the founding of a nation is a great occasion in the life of any people, and its citizens are entitled to rejoice, but when that nation is the United States the event has world-wide importance. Even the most far-seeing of the Founders of the American Republic cannot have dreamed of the progress which the United States have made in 150 years—progress which has been especially rapid in the last half-century. In 1870 the population of the United States was under 30,000,000, or practically equal to that of Italy today. There has been nothing in the world like the material development of the United States during the last fifty years. Never before has such a large number of human beings attained such a high level of prosperity. As the Washington



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Firestone

TRUCK TIRES

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*

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We will give permission, upon request, to reprint articles from NATION'S BUSINESS in house organs or in other periodicals.

NATION'S BUSINESS, Washington

Scientific Facts About Diet

A CONDENSED book on diet entitled "Eating for Health and Efficiency" has been published for free distribution by the Health Extension Bureau of Battle Creek, Mich. Contains set of health rules, many of which may be easily followed right at home or while traveling. You will find in this book a wealth of information about food elements and their relation to physical welfare.

This book is for those who wish to keep physically fit and maintain normal weight. Not intended as a guide for chronic invalids as all such cases require the care of a competent physician. Name and address on card will bring it without cost or obligation.

HEALTH EXTENSION BUREAU
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EXECUTIVES

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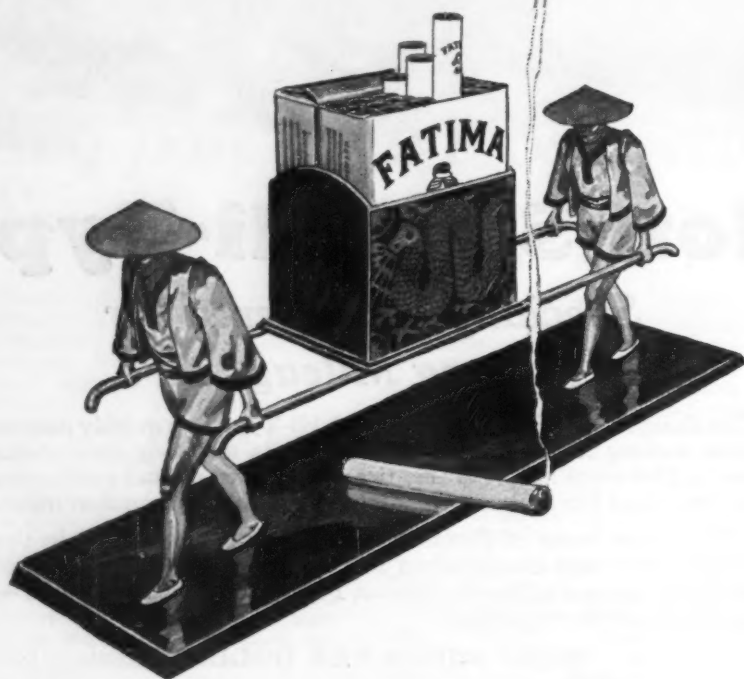
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correspondent of the *Observer* remarks, "to create wealth is not an uncommon achievement, but America's unique achievement is that it has democratized wealth." But those who imagine that the extraordinary prosperity of America implies a materialistic outlook are sadly in error. There is materialism and plenty of it in America, but in no country is a greater value attached to ideals. The example set by the rich men of America in endowing education and the arts gives wonderful promise for the future.

It is COMMON knowledge that a sluggish circulation is a usual fate of men and magazines whose enthusiasms have simmered down to a colorless endurance of time and circumstance.

Every Battery Runs Down; Even Homer Nodded That the *American Mercury* was in a way of being infected with dry rot is a discovery implied by the *Manchester Guardian Weekly* in taking notice of the *Mercury's* revivification. Hailing a "brighter *Mercury*," the *Guardian* reports that

The *American Mercury* shows some signs of returning to life. Latterly it has been a little on the dull and heavy side, and some of its English admirers have been drifting round to the opinion that they might just as well read *Scribner's*. Perhaps they have been writing to its editor to say so, for in the June number Mr. Mencken does his best to brighten things up by "going for" all things English with all the enthusiasm of Br'er Rabbit doing his best to lick the stuffing out of the Tar Baby. His article ranges from assurances that King George V. is "plainly a blob" to the assertion that it has become "a sort of treason in England to buy Yankee goods and a crime scarcely less to praise (or even read) a Yankee book." Mr. Mencken's final verdict is that the glory has departed. There is statesmanship and intellectual life in Germany and (presumably) in Baltimore; but "in England there seems to be only a sort of fretful incompetence, a fever of querulous protesting, a disinclination to grapple with the new realities in a forthright and energetic manner." "New realities" like a general strike, for instance? One would give much to see the fretful Mr. Mencken disturbed for a moment in his chronic fever of querulous protesting and ordered by the doctor to get up and handle a general strike.

THAT OLD SPANISH proverb about Seville's monopoly of wonders is put in a way of amendment with comment on a statement made by

Reely, Wonders Never Cease In Hollywood Miss Lillian Gish, reported in the London *Daily Express*. As might be expected,

Miss Gish holds a brief for the much-filmed splendors of California, and her advocacy takes its cue from belief that "every one should see Hollywood, for the same reason that every one should see the Pyramids and Niagara Falls." To "Lucio," a versifier of the *Manchester Guardian Weekly*, that recommendation is the finishing touch, a feeling which he works off by taking a mythical traveler on a metrical journey with the end of both in Hollywood—

In travel he tried all conceivable rôles—

On whalers he worked like a pal,
He flew round the world and to both of the Poles

And sailed up our own ship canal;
But something was lacking—the choicest, the chief

Sensation was still unacquired;
He visited Hollywood, sighed with relief,
And took to his bed and expired.



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